



**SCV**  
**WATER**



**SCV WATER AGENCY  
TELECONFERENCE  
FINANCE AND ADMINISTRATION  
COMMITTEE MEETING**

**MONDAY, AUGUST 16, 2021**

**START TIME: 6:00 PM (PST)**

Join the Committee meeting from  
your computer, tablet or smartphone: **-OR-**  
<https://scvwa.zoomgov.com/j/1603704477>

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**To participate in public comment from your computer, tablet, or smartphone:**

When the Chair announces the agenda item you wish to speak on, click the **“raise hand” feature in Zoom\***. You will be notified when it is your turn to speak.

**To participate in public comment via phone:**

When the Chair announces the agenda item you wish to speak on, **dial \*9 to raise your hand**. Phone participants will be called on by the **LAST TWO digits** of their phone number. **When it is your turn to speak, dial \*6 to unmute**. When you are finished with your public comment dial **\*6 to mute**.

Can't attend? If you wish to still have your comments/concerns addressed by the Committee, all written public comments can be submitted by 4:00 PM the day of the meeting by either e-mail or mail.\*\* Please send all written comments to Erika Dill. Refer to the Committee Agenda for more information.

\*For more information on how to use Zoom go to [support.zoom.us](https://support.zoom.us) or for “raise hand” feature instructions, visit <https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>

\*\*All written comments received after 4:00 PM the day of the meeting will be posted to [yourscvwater.com](https://yourscvwater.com) the next day. Public comments can also be heard the night of the meeting.

**Disclaimer:** Pursuant to the Executive Order N-08-21 issued by Governor Newsom, public may not attend meetings in person. Public may use the above methods to attend and participate in the public board meetings.

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**Date:** August 9, 2021

**To:** **Finance and Administration Committee**  
Dan Mortensen, Chair  
Beth Braunstein  
Ed Colley  
R. J. Kelly  
Gary R. Martin

**From:** Eric Campbell  
Chief Financial and Administrative Officer

The **Finance and Administration Committee** is scheduled to meet via teleconference on **Monday, August 16, 2021 at 6:00 PM**; dial-in information is listed below.

**TELECONFERENCE ONLY  
NO PHYSICAL LOCATION FOR MEETING**

**TELECONFERENCING NOTICE**

Pursuant to the provisions of Executive Order N-08-21 issued by Governor Gavin Newsom on June 11, 2021, any Director may call into an Agency Committee meeting using the Agency's **Call-In Number (1-833-568-8864), Webinar ID 160 370 4477** or **Zoom Webinar by clicking on the link <https://scvwa.zoomgov.com/j/1603704477>** without otherwise complying with the Brown Act's teleconferencing requirements.

Pursuant to the above Executive Order, the public may not attend the meeting in person. Any member of the public may listen to the meeting or make comments to the Committee using the call-in number or GoToMeeting link above. Please see the notice below if you have a disability and require an accommodation in order to participate in the meeting.

We request that the public submit any comments in writing if practicable, which can be sent to **[edill@scvwa.org](mailto:edill@scvwa.org)** or mailed to **Erika Dill, Management Analyst II**, SCV Water, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. All written comments received before 4:00 PM the day of the meeting will be distributed to the Committee members and posted on the SCV Water website prior to the meeting. Anything received after 4:00 PM the day of the meeting will be posted on the SCV Water website the following day.

## MEETING AGENDA

<u>ITEM</u>		<u>PAGE</u>
1.	Public Comments – Members of the public may comment as to items within the subject matter jurisdiction of the Agency that are not on the Agenda at this time. Members of the public wishing to comment on items covered in this Agenda may do so at the time each item is considered. (Comments may, at the discretion of the Committee Chair, be limited to three minutes for each speaker.)	
2.	Discuss Financing Policy – Financial Advisor	
3. *	Discuss Establishing a Community Facility District (CFD) for the Spring Canyon Development	7
4. *	Discuss Establishing a Community Facility District (CFD) for the Tesoro Development	59
5. *	Recommend Approval of Employee Manual 40 - Flexible Workplace Program	115
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7. *	Review Financial Performance Metrics	127
8. *	Recommend Receiving and Filing of June 2021 Monthly Financial Report	133
	June 2021 Check Registers Link: <a href="https://yourscvwater.com/wp-content/uploads/2021/08/Check-Register-June-2021.pdf">https://yourscvwater.com/wp-content/uploads/2021/08/Check-Register-June-2021.pdf</a>	
9. *	Committee Planning Calendar	189
10.	General Report on Finance and Administration Activities	
11.	Adjournment	
*	Indicates attachments	
◆	To be distributed	



**NOTICES:**

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 297-1600, or writing to SCV Water at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at SCV Water, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on August 10, 2021.


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## COMMITTEE MEMORANDUM

**DATE:** August 9, 2021

**TO:** Finance and Administration Committee

**FROM:** Eric Campbell   
Chief Financial and Administrative Officer

**SUBJECT:** Discuss Establishing a Community Facility District (CFD) for the Spring Canyon Development

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### SUMMARY

The Board previously adopted its Community Facility District (CFD) Policy in February 2020 and revised in December 2020. The CFD Policy establishes requirements that must be met for the Santa Clarita Valley Water Agency (Agency; SCV Water) to participate in financing infrastructure costs through a CFD.

At the June 15, 2020 Finance & Administration Committee (Committee) meeting, the Spring Canyon Project builder and financial advisor presented three scenarios to consider for possible formation of a CFD. The Committee mentioned its concerns and advised the builder to take them into consideration and return with a proposal that addresses the concerns and would enable next steps in the CFD creation process. At the December 15, 2020 Board meeting, the builder presented a proposal for a CFD for the minimum amount of infrastructure financing (Scenario 3 of the June 15, 2020 presentation) needed to make the project viable, and analysis of the expected tax rate and tax assessment to the average size and value of home in the project. Also presented at this meeting were resolutions to join the CMFA, enter a Joint Exercise of Powers Agreement with the CMFA, and to authorize participation in the CMFA's Bond Opportunities for Land Development Program and certain other matters. The Board approved these items.

The final steps in preparing for a Spring Canyon CFD are approve and execute an Acquisition Funding Agreement (Acquisition Agreement). The Acquisition Agreement will serve as a joint community facilities agreement (JCFA), pursuant to which the facilities required by the Agency for the Spring Canyon Project would be funded through a CFD formed by CMFA. Per prior Board direction, the Agency has entered into a Deposit and Reimbursement Agreement with the developer (Deposit Agreement) whereby the developer has deposited funds with the Agency, and has agreed to continue to deposit additional funds with the Agency (as needed) to cover all costs required to analyze whether to enter into the Acquisition Agreement, and to negotiate and enter into the Acquisition Agreement and take other related actions. The form of the Acquisition Agreement and Deposit Agreement have been approved and negotiated by the Agency and its legal team.

### DISCUSSION

CFDs are authorized under Government Code section 53311 *et seq.*, which is a part of the Mello-Roos Community Facilities Act of 1982. Also known as "Mello-Roos Districts," CFDs

are often created for establishing a method of financing public improvements, fees, or services by imposing a “special tax” on real property in a defined geographic area. CFDs issue bonds repaid by such special taxes, which are levied on property owners including homeowners through an annual levy of the CFD special tax. The Agency and its predecessor organizations have not historically participated in CFDs.

Section 3.0 of the CFD Policy, titled “LIMITS AND CONSTRAINTS FOR CFD PARTICIPATION,” is included on the next page. Staff has reviewed each of the requirements, and the proposed CFD for the Spring Canyon project is in compliance with Agency policy.

### 3.0 LIMITS AND CONSTRAINTS FOR CFD PARTICIPATION

For the Agency to consider participating in a CFD, the following conditions must be met:

1. Facility Capacity Fees will not be financed.
2. On a case-by-case basis, there must be a benefit to the Agency’s customers as determined by the sole discretion of the Board.
3. Staff time must be available to carry out the Agency’s responsibilities in establishing and administering the CFD, and the Agency’s ongoing administration costs must be included in the special tax.
4. A Deposit and Reimbursement Agreement between the Agency and the developer must be agreed upon whereby the developer pays all the Agency’s costs, including third party consultant and legal costs.
5. Prior to the formation of the CFD or the issuance or sale of special tax bonds, the Agency and Developer will have a completed an Acquisition Agreement, setting forth the terms upon which the Agency will acquire the specific infrastructure to be funded by the CFD and acquired using proceeds of the special taxes and/or bonds.
6. All Agreements shall be governed by, construed and enforced under the Constitution and laws of the State of California. Venue for any legal actions involving this Agreement shall rest with the Superior Court, County of Sacramento
7. Another public agency must be the primary administrator.

The Spring Canyon Project consists of 492 single family residential lots and is estimated to have \$27,444,150 in Agency-related water/sewer infrastructure costs as shown in Table 1 on the next page. These are the same infrastructure components that have been previously discussed at Committee for inclusion in a Spring Canyon project CFD.

**Table 1**

<b>Improvement Projects (1)</b>	<b>Estimated Cost</b>
Water Storage Tank	\$ 4,813,400
Pump Station	\$ 5,426,500
Upgrade to Shadow Pines Lift Station	\$ 7,000,000
Backbone Water	\$ 1,952,850
Mammoth Lane Waterline	\$ 1,560,200
Village I Water	\$ 584,800
Village II Water	\$ 938,400
Village III Water	\$ 1,047,200
Village IV Water	\$ 666,400
Village V Water	\$ 843,200
Village VI Water	\$ 1,278,400
Village VII Water	\$ 1,332,800
<b>TOTAL COST</b>	<b>\$ 27,444,150</b>

**Source:** Goodfellow Bros. Construction.

**Footnote:**

(1) The description of each Acquisition Improvement is general in nature. The scope and final description of each Acquisition Improvement shall be based upon the plans for it approved by the Agency, as necessary to serve the development within the CFD.

Formation and administration of the Spring Canyon Project CFD, and issuance of any bonds by the CFD, would be carried out by the CMFA. The CMFA has limits on the amount of financing that can be approved based on property value, and a limit on the special tax that can be charged to each property. These limits have been estimated by the developer for this discussion and would be part of the CFD development process with the CMFA. Table 2 on the next page shows the estimated average home size and price, existing Ad Valorem tax rates and taxes, the estimated CFD special tax amount and total taxes projected to be collected from the average priced house (\$14,179), and the combined projected tax rate (1.78%).

**Table 2: Project Assumptions, List of Property Tax Components, and Estimated Tax Rate**

<b>Project Assumptions</b>	<b>Amount</b>
Estimated W. Avg. Home Size (sf)	2,820 sf
Estimated W. Avg. Base Home Price <sup>(1)</sup>	\$796,126
<b>Ad Valorem Tax Rates</b>	
General (1.0000%)	\$7,961
Sulphur Springs SD (0.0198%)	\$158
William S. Hart UHSD (0.0549%)	\$437
Santa Clarita Valley CCD (0.0295%)	\$235
Castaic Lake Water Agency (0.0706%)	\$562
<b>Direct Charges <sup>(2)</sup></b>	
Combined Existing Direct Charges	\$1,508
<b>Proposed CFD Special Tax</b>	<b>\$3,318</b>
<b>Total Annual Property Taxes Collected</b>	<b>\$14,179</b>
<b>Property Taxes as % of Home Value</b>	<b>1.781%</b>
Unit Mix	492
<b>Total CFD Annual Tax Collections</b>	<b>\$1,632,268</b>
<b>Total Annual Special Taxes for Debt Service <sup>(3)</sup></b>	<b>\$1,438,425</b>

**Footnotes:**

- (1) Home price is net of homeowner's exemption (\$7,000).
- (2) Direct charges include taxes and assessments for LA County parks and recreation, lighting district, solid waste services, library services, sanitation, fire services, mosquito abatement, sewer maintenance, drainage and trauma/emergency services.
- (3) Annual taxes reduced for annual administration fee (estimated to be \$25,000) and to provide 110% of debt service coverage.

To generate the financing proceeds required, a set of preliminary assumptions have been developed and are included in Table 3. These numbers are expected to change if work continues on the financing.

**Table 3: Project CFD Bond Assumptions**

<b>Bond Assumptions</b>	<b>Amount</b>
Bond Amount (30 Year Term)	\$33,050,000
Interest Rate <sup>(1)</sup>	4.50%
Underwriter's Discount (1.75%)	(\$578,375)
Capitalized Interest (1 Year)	(\$1,487,250)
Reserve Fund	(\$2,708,643)
Cost of Issuance	(\$826,250)
<b>Total Net Construction Proceeds</b>	<b>\$27,449,482</b>

*Prudent Management of Risk*

The SCV Water Community Facility District Policy, Section 4.0 "PRUDENT MANAGEMENT OF RISK" includes ten items that, as a matter of policy, must be met for a CFD to be developed. The Deposit Agreement covers how the Developer will reimburse the Agency's relevant legal, consultant and administrative costs incurred. Specifically, the Deposit

Agreement requires that Tesoro Highlands will cover all costs “incurred in reviewing and processing the documents and approvals required in order for the Authority to initiate the proceedings to establish the CFD and to allow the CFD and Developer to finance the Authorized SCVWA Improvements” including without limitation staff and related costs, consultant costs (including engineering and legal) and other related costs. Payment of such costs is not contingent upon formation of the CFD. The initial deposit is \$70,000, and Tesoro Highlands has agreed to deposit an additional \$25,000 any time the amount on deposit dips below \$10,000.

The Acquisition Agreement outlines requirements for the Agency to accept facilities that the developer is required to build, and conditions for the developer to be reimbursed for its costs for such facilities.

If the Committee were to move forward with recommending the establishment of a CFD for the Spring Canyon Development the Board would be asked to approve the attached draft resolution.

**FINANCIAL CONSIDERATIONS**

None currently.

**RECOMMENDATION**

That the Finance and Administration Committee consider whether to approve establishing a CFD for the Spring Canyon Development.

EC

Attachments

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
APPROVING AN ACQUISITION FUNDING AGREEMENT  
AMONG THE SANTA CLARITA VALLEY WATER AGENCY,  
THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
AND SPRING CANYON RECOVERY ACQUISITION LLC  
AND TAKING OTHER ACTIONS RELATING THERETO**

**WHEREAS**, the Santa Clarita Valley Water Agency (the “Agency”) previously took action to become a member of the California Municipal Finance Authority (the “Authority”), and to authorize participation in the Authority’s Bond Opportunities for Land Development (“BOLD”) program, pursuant to which the Authority may form a community facilities district under the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”), levy special taxes, and issue bonds, for the purpose of facilitating cost-effective financing for public infrastructure that developers are required by the Agency to construct; and

**WHEREAS**, Spring Canyon Recovery Acquisition LLC, a Delaware limited liability company (the “Developer”), is the owner and developer of certain real property within the Agency, and has applied for financing through the BOLD program; and

**WHEREAS**, the Developer has requested that the Authority conduct proceedings for the formation of a community facilities district (the “Community Facilities District”), pursuant to the Act, for the purpose, among others, of financing through the levy of special taxes and sale of bonds the design, construction and acquisition of public facilities which are necessary to meet increased demands placed upon the Agency as a result of the development of the property within the Community Facilities District; and

**WHEREAS**, pursuant to Sections 53316.2 through 53316.6 of the California Government Code, a community facilities district may finance facilities to be owned or operated by an entity other than the Authority that created the Community Facilities District, pursuant to a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

**WHEREAS**, there has been presented to the Board of Directors a form of Acquisition Funding Agreement by and among the Agency, the Authority, and the Developer, which also serves as a joint community facilities agreement under Sections 53316.2 through 53316.6 (the “Agreement”); and

**WHEREAS**, the Board of Directors has determined that the proposed Agreement will be beneficial to the residents of the Agency and the proposed community facilities district;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Santa Clarita Valley Water Agency as follows:

1. The Board of Directors of the Agency determines that the Agreement will be beneficial to the residents of the Agency and the proposed Community Facilities District.

2. The Agreement is approved in the form submitted to the Board of Directors at the meeting at which this resolution is adopted and the President, General Manager, Assistant General Manager, or their designees, are authorized to execute and deliver the Agreement on behalf of the Agency, and the Secretary to the Board of Directors or her designee is authorized to attest thereto. The General Manager of the Agency, or his designee, is authorized to consent to such modifications of the Agreement as are determined by counsel to the Agency to be necessary, provided such revisions are not material.
3. This Resolution shall take effect immediately upon its adoption. The Secretary is hereby authorized and directed to transmit a certified copy of this resolution and the final, executed Agreement to the Developer and to CMFA.

## ACQUISITION FUNDING AGREEMENT

**California Municipal Finance Authority**  
**BOLD Program Community Facilities District No. \_\_\_\_\_**  
**(\_\_\_\_\_)**

THIS ACQUISITION AGREEMENT (“**Agreement**”) is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (“**Effective Date**”) among Spring Canyon Recovery Acquisition LLC, a Delaware limited liability company (the “**Developer**”), the California Municipal Finance Authority (“**Authority**”), and the Santa Clarita Valley Water Agency (“**Agency**”).

### RECITALS

A. On \_\_\_\_\_, 2021, the governing board of the Authority adopted Resolution No. \_\_\_\_\_ (the “**Resolution**”) forming Community Facilities District No. \_\_\_\_\_ (\_\_\_\_\_) (the “**CFD**”) under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “**Act**”). The Authority is authorized to levy special taxes upon land within the CFD and issue bonds (the “**Bonds**”) in one or more series to provide financing for infrastructure and other public capital improvements to be owned, operated or maintained by the Agency and other public agencies. The boundaries of the CFD are illustrated on Exhibit A hereto; and

B. In connection with the CFD, the Developer applied to the Authority and the Agency for the financing of certain public capital improvements as further described in Exhibit B hereto (collectively, the “**Acquisition Improvements**”) to be owned, operated or maintained by the Agency.

C. The Authority is authorized to levy special taxes and issue Bonds, in one or more series, to fund, among other things, all or a portion of the costs of the Acquisition Improvements. Collectively, the portion of the proceeds of the special taxes (including prepayments) and Bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the “**Available Amount**.”

D. The CFD will provide financing for the design and acquisition by the Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the **Available Amount**. Attached hereto as Exhibit B is a description of the Acquisition Improvements that are eligible to be acquired from the Developer.

E. The parties anticipate that pursuant to this Agreement the Developer may be reimbursed for costs of the Acquisition Improvements and, subject to the terms and conditions of this Agreement, the Agency will acquire the completed Acquisition Improvements.

F. Any and all monetary obligations of the Authority arising out of this Agreement are the special and limited obligations of the Authority payable only from the Available Amount, and no other funds whatsoever of the Authority or the Agency shall be obligated therefor under any circumstances.

G. Concurrently herewith, the Owner and Agency are negotiating the Santa Clarita Valley Water Agency Master Agreement for Developer-Constructed Improvements (“Developer Agreement”). The terms of this Agreement are intended to be consistent with and in addition to those set forth in the Developer Agreement.

H. Attached to this Agreement are Exhibit A (Map of CFD Boundary), Exhibit B (Description of Acquisition Improvements), Exhibit C (Actual Cost Certificate), Exhibit D (Disbursement Request Form), and Exhibit E (Bidding, Contracting and Construction Requirements for Acquisition Improvements), all of which are incorporated into this Agreement for all purposes.

I. Under Section 53316.2 of the Act, the Authority may form a CFD to, among other things, finance the Acquisition Improvements, provided that the Authority and the Agency enter into a joint community facilities agreement such as this Agreement. Agency is willing to cooperate with the Authority in the Authority’s financing of the Acquisition Improvements and to confer upon the Authority a full power to provide financing for the Acquisition Improvements in the event that proceeds of special taxes and/or bonds of the CFD become available and are utilized for such purpose by executing this Agreement under the authority of Section 53316.2 of the Act.

J. In consideration of the formation of the CFD and the issuance of the Bonds, and the mutual covenants, undertakings and obligations set forth below, the Agency, the Authority and the Developer agree as stated below.

## AGREEMENT

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are true and correct and are hereby incorporated into and form a material part of this Agreement.

2. Effect on Other Agreements. Nothing in this Agreement shall be construed as affecting the Developer’s or the Agency’s duty to perform their respective obligations under any other agreements (including the Development Documents defined below), land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer’s and the Agency’s rights and obligations under this Agreement.

3. Definitions. As used herein, including the Recitals and all Exhibits, the following capitalized terms shall have the meanings ascribed to them below:

“**Acceptable Title**” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except (i) those items which are reasonably determined by the General Manager not to interfere with the intended use and therefore are not required to be cleared from the title and (ii) the lien of the CFD or any other community facilities district or assessment district provided that the property owned by the Agency is exempt from such taxation or assessment.

“**Acquisition and Project Fund**” means the “CMFA CFD \_\_\_\_\_ (\_\_\_\_\_) Acquisition and Project Fund” established and held by the Authority pursuant to the Resolution

and Section 5.2 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements.

**“Acquisition Improvement”** means a public capital improvement, including an Eligible Portion thereof as described in Section 5.6 hereof, described in Exhibit B, as may be amended from time to time.

**“Acquisition Price”** means the total amount eligible to be paid to the Developer from the Available Amount for an Acquisition Improvement or Eligible Portion thereof, as provided in Sections 5.6 and 5.7, not to exceed the Actual Cost of the Acquisition Improvement.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California.

**“Actual Cost”** means the total paid cost of an Acquisition Improvement or Eligible Portion thereof, as documented by the Developer to the satisfaction of the Administrator in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement or Eligible Portion thereof, including a portion of the grading costs in the amount attributable to Acquisition Improvements, as determined by the Administrator, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of environmental evaluation or mitigation required for such Acquisition Improvement to the extent approved by the Agency, (e) the amount of any fees, such as permit and plan processing fees relating directly to the Acquisition Improvement, and (f) the Developer’s construction management costs in an amount equal to 5% of the eligible hard construction cost, as determined by the Administrator.

**“Actual Cost Certificate”** means a certificate prepared by the Developer in substantially the form shown in Exhibit C detailing the Actual Cost of an Acquisition Improvement or Eligible Portion thereof, to be acquired hereunder, as may be revised by the General Manager pursuant to Section 5.6.

**“Administrator”** means Francisco & Associates, Inc., as the acquisition consultant and auditor for the Authority.

**“Agency Resolution”** means Agency Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, 2021 titled “\_\_\_\_\_”

**“Agreement”** means this Acquisition Agreement, dated as of \_\_\_\_\_, 2021, by and among the Agency, the Authority, and the Developer.

**“Authority”** means the California Municipal Finance Authority.

**“Authority Trust Agreement”** means a trust agreement, indenture or fiscal agent agreement entered into by the Authority and an Authority Trustee or Fiscal Agent in connection with the issuance of a series of Bonds on behalf of the CFD.

**“Authority Trustee”** means the financial institution identified as trustee or fiscal agent in an Authority Trust Agreement.

**“Available Amount”** shall have the meaning assigned to the term in Recital D.

**“Board of the Authority”** means the Board of General Managers of the California Municipal Finance Authority.

**“Bonds”** means bonds or other indebtedness issued in one or more series by the Authority that are to be repaid with Special Taxes.

**“Code”** means the Government Code of the State of California.

**“CFD”** shall have the meaning assigned to the term in Recital A.

**“Developer”** means Spring Canyon Recovery Acquisition LLC, a Delaware limited liability company, and its successors and assigns.

**“Developer Agreement”** means the Santa Clarita Valley Water Agency Master Agreement for Developer-Constructed Improvements between the Agency and Developer, as it may be amended.

**“Development Documents”** means, as applicable, one or more of the following: (i) the Developer Agreement, or any other improvement agreement between the Developer and the Agency concerning an Acquisition Improvement; (ii) improvement plans submitted by the Developer to the Agency concerning an Acquisition Improvement; or (iii) any other agreement with the Agency or Agency condition of development concerning an Acquisition Improvement.

**“Disbursement Request Form”** means a requisition for payment of funds from an Acquisition and Project Fund for an Acquisition Improvement or an Eligible Portion thereof in substantially the form contained in Exhibit D.

**“Eligible Portion”** shall have the meaning ascribed to it in Section 5.6 below.

**“General Manager”** means the General Manager of the Agency or his/her designee or representative (which may include a third party person or entity providing services on behalf of the General Manager) who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

**“Installment Payment”** means an amount equal to ninety percent (90%) of the Acquisition Price of an Eligible Portion.

**“Project”** means the development of the property in the CFD or offsite improvements serving property in the CFD, including the design and construction of the Acquisition Improvements.

**“Special Taxes”** means annual special taxes, and prepayments thereof, authorized by the CFD to be levied by the Board of the Authority.

**“Title Documents”** means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests

therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the Agency of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the Agency, where applicable.

4. Purpose; Effective Date.

4.1. Purpose. The purpose of this Agreement is to provide financing for the Acquisition Improvements from the Available Amount.

4.2. Effective Date. The Effective Date of this Agreement shall be as set forth in the preamble above.

4.3. Acquisition Improvements. Notwithstanding anything to the contrary, the Acquisition Improvements are authorized to be financed by the Bonds and Special Taxes.

5. CFD.

5.1. Establishment of CFD. Pursuant to the Agency Resolution, the Agency authorized the Authority to form the CFD, subject to certain conditions being met. Subsequently, Developer requested the Authority to provide financing of the Acquisition Improvements through the establishment and authorization of the CFD. The CFD has been established by the Authority, and through the successful landowner election held in conformance with the Act, the Board of the Authority is authorized to levy the Special Taxes and to issue the Bonds to finance the Acquisition Improvements. Developer, the Agency and the Authority agree to reasonably cooperate with one another in the completion of the financing through the issuance of the Bonds in one or more series.

5.2. Deposit and Use of Available Amount.

5.2.1. Acquisition and Project Fund Held by Authority

Prior to the issuance of the first series of Bonds, Special Taxes collected by the Authority (including from prepayments of Special Taxes) shall be deposited in the Acquisition and Project Fund established by the Authority and may be disbursed to pay the Acquisition Price of Acquisition Improvements or Eligible Portions thereof in accordance with this Agreement. All funds in the Acquisition and Project Fund shall be considered a portion of the Available Amount, and upon the issuance of the first series of Bonds, the Acquisition and Project Fund shall be transferred to the Authority Trustee to be held in accordance with the Authority Trust Agreement.

5.2.2. Acquisition and Project Fund Held by Trustee

Upon the issuance of the first series of Bonds, the Authority will cause the Authority Trustee to establish and maintain an Acquisition and Project Fund for the purpose of holding all funds received for the financing of Acquisition Improvements. Separate subaccounts may be established for each issue of Bonds. All earnings on amounts in an Acquisition and Project Fund shall remain in such Acquisition and Project Fund for use as provided herein and pursuant to the applicable Authority Trust Agreement. Money in the Acquisition and Project Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Agency or its designee or the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements or Eligible Portion thereof to the extent the Acquisition Price has not previously

been paid from the Available Amount. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in the Acquisition and Project Fund (less any amount determined by the Agency as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

5.3. Letting and Administering Design Contracts. The Developer has awarded and administered, or will award and administer, engineering design contracts for the Acquisition Improvements. All eligible expenditures for design engineering and related costs in connection with the Acquisition Improvements shall be reimbursed upon a request for payment made pursuant to Section 5.6 hereof, as reviewed and approved by the Administrator.

Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement or Acquisition Improvements, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement.

Where a specific contract has been awarded for design or engineering work relating to both an Acquisition Improvement and private improvements, the eligible percentage allocated to the Acquisition Improvement shall be determined by the Administrator, for review and approval by the General Manager in his/her sole discretion.

5.4. Letting and Administering Construction Contracts: Prevailing Wages. State law requires that all Acquisition Improvements for which an Actual Cost Certificate is submitted pursuant to this Agreement that were not completed prior to the formation of the CFD shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof for any other Acquisition Improvements, Developer agrees to comply with the requirements set forth in Exhibit E, with respect to the bidding and contracting for the construction of the Acquisition Improvements being constructed by the Developer for which an Actual Cost Certificate is submitted pursuant to this Agreement, including, but not limited to, California Labor Code Sections 1720, *et seq.*, and 1771, *et seq.* ("**Labor Code Regulations**"). Developer agrees and acknowledges that the construction of such Acquisition Improvements is subject to the payment of prevailing wages and agrees to comply, and to cause its contractors and subcontractors to comply, with the requirements of the Labor Code Regulations. Further, Developer agrees to defend, indemnify and hold the Authority and the Agency, their elected officials, officers, employees, and agents free and harmless from any and all claims, damages, suits or actions arising out of or incident to Developer's obligations under this section. Developer agrees to satisfy, to the extent applicable, its obligation of registering with the Department of Industrial Relations and furnishing electronic certified payroll records to the Labor Commissioner pursuant to Senate Bill 854 (2014). The Developer's indemnification obligation set forth in Section 6.1 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

5.5. Estimated Cost of Acquisition Improvements. The estimated cost of the Acquisition Improvements is shown in Exhibit B attached hereto. Notwithstanding such estimated costs, Developer and the Agency hereby acknowledge and agree that (a) the actual costs to complete the Acquisition Improvements may vary from this estimate, and (b) the Acquisition Price shall never exceed the Actual Cost of any Acquisition Improvement.



5.6. Construction and Sale of Acquisition Improvements. The Developer agrees to convey to the Agency each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is completed to the satisfaction of the Agency, in accordance with the terms of this Section 5.6.

(a) Plans and Specifications, Engineering and Environmental Review: The Developer shall employ, at its sole cost and expense, subject to potential reimbursement, a qualified professional engineering firm ("Developer Engineer") to plan, design and prepare plans and specification ("Plans and Specifications") for the Acquisition Improvements in full accordance with the Agency's design criteria and standards. The Plans and Specifications shall be subject to the Agency's approval, which shall not be unreasonably withheld. In the event the Agency disapproves the Plans and Specifications, the Developer shall cause the Developer Engineer to modify the Plans and Specifications in accordance with the reasons given for disapproval and shall resubmit the revised Plans and Specifications to the Agency for approval or disapproval. The foregoing procedure shall be continued until the Plans and Specifications have been approved by the Agency. The Agency agrees to process any Plans and Specifications for approval with such diligence and in such time as the Agency accords customers similarly situated. The cost and expense of the Agency's review (including but not limited to, agents, employees and independent contractors) shall be paid by the Developer to the Agency and such costs shall be eligible to be reimbursed from the Available Amount. The Plans and Specifications will conform to all applicable Federal, State and local governmental rules, ordinances, regulations and all applicable environmental laws.

A qualified engineering firm (the "Field Engineer") shall be employed by the Developer to provide all field engineering surveys determined to be necessary by the Agency inspection personnel. The Field Engineer shall promptly furnish to the Agency a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from the Field Engineer's engineering surveys and/or proposed facility design changes. The Agency shall have the right, but not the obligation, to review, evaluate and analyze whether such results comply with applicable specifications.

The cost of all surveying, compaction testing and report costs associated with such Acquisition Improvements furnished and constructed by any contractors shall be paid for by the Developer, and the costs of such work shall be eligible to be reimbursed from the Available Amount. The Agency shall not be responsible for conducting any environmental, archaeological, biological, or cultural studies or any mitigation requirements related to the Acquisition Improvements to be constructed by the Developer that may be requested by appropriate Federal, State, and/or local agencies. The Developer shall, at its sole cost and expense, be responsible for compliance with all environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act, arising out of or in connection with the planning, design, construction and installation of the Acquisition Improvements and for compliance with all conditions and mitigation measures of each consent or approval of a public agency which must be satisfied for the purpose of the planning, design, construction and installation of the Acquisition Improvements. The term "environmental laws" shall include, without limitation, the California Environmental Quality Act and all other applicable State and Federal environmental laws. Any such work shall be paid for and conducted by, or on behalf of, the Developer, and the costs of such work shall be eligible to be reimbursed from the Available Amount.

(b) Construction of Acquisition Improvements: Following receipt of the Agency's written approval of the Plans and Specifications, the Developer shall, or shall employ a licensed contractor or contractors to construct and complete the Acquisition Improvements at no cost or expense to the Agency and in accordance with the laws, rules and regulations of all governmental bodies and agencies having jurisdiction over the Acquisition Improvements. The Acquisition Improvements shall be installed in strict compliance with the Plans and Specifications. Any deviations from the approved Plans and Specifications must be approved by the Agency, in writing

The Developer shall, at its sole cost and expense, apply for and obtain all necessary consents, approvals, permits, authority and entitlements as shall be required for the design, construction and installation of the Acquisition Improvements, if any, from all appropriate governmental authorities. The Developer shall directly pay all costs associated with the construction of the Acquisition Improvements, including but not limited to, furnishing of materials, and the Developer shall keep the Agency free and harmless from all such costs. The construction of the Acquisition Improvement that consists of an upgrade to the existing Shadow Pine Lift Station (the "**Lift Station**") owned and operated by the Agency will require that the Agency grant the Developer or its designees a license to enter upon the Lift Station site in order to conduct and complete the construction and related activities. Such license shall be granted pursuant to the Developer Agreement or a right of entry or license agreement to be entered into between the Agency and Developer in a form acceptable to both parties. Because the Lift Station is on a site currently owned by the Agency and is a facility currently operated by the Agency, certain provisions of this Agreement shall not apply to the Lift Station and the Developer except as they relate specifically to the Lift Station upgrade improvements constructed by the Developer pursuant to the Developer Agreement.

The Developer shall, at its sole cost and expense, be required to furnish labor and material payment bonds and contract performance bonds in an amount equal to one hundred percent (100%) of the contract price for the Acquisition Improvements and naming the Developer, the Authority, the CFD, and the Agency, as obligees unto which the Developer, as principal, and the surety are bound, and issued by insurance or surety companies approved by the Agency. All such bonds shall be in a form approved by the Agency, and the labor and material payment bond shall comply with all requirements of payment bonds on public works of improvements, including but not limited to Civil Code section 9550, *et seq.*

Following commencement of construction of any Acquisition Improvement, and each 30 days thereafter, or such other dates as are mutually agreeable to the Administrator and Developer, Developer may submit to the Administrator an Actual Cost Certificate in the form attached hereto as Exhibit C for the portion or phase of Acquisition Improvements constructed (the "Eligible Portion"), which shall constitute a written request for payment of the Acquisition Price (as determined below) for the Eligible Portion, except that for any Acquisition Improvement having a total estimated finished cost of less than \$1,000,000, no portion of the cost thereof shall be an Eligible Portion (i.e., no periodic progress payments shall be made and acquisition shall only occur upon completion). The Actual Cost Certificate shall include such necessary information (including invoices, receipts, worksheets and other evidence of cost as required by the Administrator) in sufficient detail to allow the Administrator to verify the Acquisition Price of such Eligible Portion. Nothing contained herein shall be interpreted to constitute any approval on the part of the Agency of an Eligible Portion of an Acquisition Improvement, nor create any obligation, duty, or otherwise, to inspect any Eligible Portion prior to substantial completion of the Acquisition Improvement as described below. The Agency shall have no liability whatsoever with respect to any payment made on any Eligible Portion. The Parties agree that the

allowance for payment on Eligible Portions is provided exclusively for the benefit of the Developer, and shall not in any way impair or create any liability or obligation on the part of the Agency.

At the time of full completion of each Acquisition Improvement, the Developer shall deliver to the General Manager Title Documents required by the Agency for the transfer of the Acquisition Improvement where necessary, and record plans (if record plans are not available the Developer shall submit constructed quantities that are verified and stamped by a civil engineer licensed in the State of California). The Developer shall ensure that all monetary liens, including deeds of trust and mortgages are subordinated to the easements and reconveyed as to the fee title ownership. The Developer shall comply with such other reasonable requirements relating to the construction of the Acquisition Improvements which the Agency may require pursuant to the Development Documents by written notification delivered to the Developer at any time, either prior to the receipt of bids by the Developer for the construction of the Acquisition Improvements, or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

The Developer shall guarantee all work on all Acquisition Improvements against defects in workmanship or materials for a period of two (2) years after Agency's acceptance of the Acquisition Improvements. Developer shall repair or remove and replace any and all such Acquisition Improvements or portions thereof, together with any other Acquisition Improvements or portions thereof which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said two (2) year period, without expense whatsoever to Agency. In the event of a failure to comply with the above-mentioned conditions within fifteen (15) business days after being notified in writing, Agency shall be entitled to have the defects remedied and the Acquisition Improvements repaired or replaced at the expense of Developer. Developer agrees to pay all such expenses immediately on demand therefor by Agency. After Agency's acceptance of the Work, the faithful performance bond may be reduced to twenty percent (20%) of the performance bond amount for the two (2) year guarantee period and released at the end of the guarantee period, provided that Developer is not in default on any provision of this Agreement. Additionally, Developer shall provide the Agency with any manufacturer warranties that may be applicable to materials or equipment included in the Acquisition Improvement. This paragraph shall not limit the Agency's rights under this Agreement or with respect to latent defects, gross mistakes, or fraud, or with respect to any joint or several liability with any contractor of the Developer as described in the Developer Agreement. The Agency specifically reserves all rights related to defective work, including but not limited to claims pursuant to California Code of Civil Procedure Section 337.15.

After the acceptance of the Acquisition Improvements, all permits, plans and operating manuals relating thereto, shall become the sole property of the Agency, at no cost to the Agency, subject to any warranty work. On the acceptance of the Acquisition Improvements by the Agency, the Developer shall deliver to the Agency, at no cost to the Agency, all surveys and as-built drawings associated with the construction of the Acquisition Improvements.

Upon completion of the Acquisition Improvements and completion of the final inspection, testing and written assurance thereof by the Agency, the Developer shall execute and deliver a bill of sale in the form and content acceptable to the Agency. The bill of sale shall convey title of the Acquisition Improvements to the Agency. The Acquisition Improvements shall be transferred to the Agency free of all liens and encumbrances. Nothing contained herein shall require the Agency to accept the Acquisition Improvements, if such facilities are substantially

complete. The Agency shall only accept such Acquisition Improvements that are complete, including all punch list items that need to be completed and/or corrected.

(c) Inspection; Completion of Construction. Subject to any additional limitations and rights in the Developer Agreement, the Agency shall have the right to inspect, or cause to be inspected, the construction of the Acquisition Improvements constructed by the Developer. The Agency's personnel shall have access to the site of the work at all reasonable times for the purpose of accomplishing such inspection. Any inspection completed by the Agency shall be for the sole use and benefit of the Agency and neither Developer, nor any third party shall be entitled to rely thereon for any purpose. The Agency does not undertake or assume any responsibility for or owe a duty to inspect, review or supervise the creation of the Acquisition Improvements. Upon substantial completion of the construction of such Acquisition Improvements, the Developer shall notify the Agency's authorized representative in writing that the construction of such Acquisition Improvements has been substantially completed. The cost and expense of the Agency's inspection (including, but not limited to, agents, employees and independent contractors) shall be paid by Developer to the Agency.

Upon receiving such written notification from the Developer that construction of any of the Acquisition Improvements by the Developer has been completed and final inspection, testing and written assurance thereof has been completed, the Agency shall accept such Acquisition Improvements. Upon receiving such notification, the Developer shall forthwith file with the County Recorder of the County of Los Angeles a Notice of Completion pursuant to the provisions of Section 8182 of the Civil Code. The Developer shall furnish to the Water Agency's authorized representative a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Recorder. Prior to the acceptance of an Acquisition Improvement by the Agency, the Developer shall provide to the Agency authorized representative such evidence or proof as the Agency shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment on behalf of the Developer for the construction of an Acquisition Improvement has been paid, and that there are no claims by or on behalf of any such person, firm or corporation.

Prior to the transfer of ownership of an Acquisition Improvement by the Developer to the Agency, the Developer shall be responsible for the maintenance thereof and shall maintain and transfer such Acquisition Improvement to the Agency in as good condition as the Acquisition Improvement was in at the time the Developer notified the Agency that construction of same had been substantially completed in accordance with the Plans and Specifications, excepting wear and tear determined to be reasonable and customary in the sole discretion of the Agency.

As a condition precedent to any acquisition by the Agency, the Developer shall be current in the payment of all due and payable general property taxes, and all Special Taxes of the CFD, on property owned by the Developer or under option to the Developer within the CFD.

(d) Determination of Acquisition Price/Agency Inspection. Provided the Developer has complied with the requirements of this Agreement, and approval and acceptance of the Acquisition Improvements, the Agency agrees to acquire the Acquisition Improvements from the Developer. Nothing contained herein shall require (a) the CFD or the Agency to pay, or the Authority to cause the CFD to pay, any amount for any Acquisition Improvements (nor shall the Agency be required to request any such payment) or (b) the Agency to provide water service to property within the CFD except in accordance with the Development Documents.

Upon submittal of a complete (as reasonably determined by the Administrator) Actual Cost Certificate, the Administrator shall determine the Acquisition Price (or in the case of a reimbursement, the reimbursement amount, which hereinafter is included in the term “**Acquisition Price**”) to be paid for the acquisition from Developer of the Eligible Portion or Acquisition Improvement constructed by Developer during said prior period. The Acquisition Price for the Eligible Portion or Acquisition Improvement shall include the actual cost of construction (or payment) thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Developer with its contractors, and suppliers, in accordance with standards and procedures therefore as prescribed by the Administrator.

The Administrator shall have thirty (30) days from receipt of an Actual Cost Certificate to review and determine the Acquisition Price.

Further, Developer may submit an Actual Cost Certificate in advance of bond issuance, however no payment of the Acquisition Price shall be made prior to bond issuance unless funds are available from the collection of Special Taxes.

The Developer shall not submit more than one (1) Actual Cost Certificate per Acquisition Improvement every 30 days. Upon determination of the Acquisition Price, the Administrator shall promptly notify Developer in writing of such Acquisition Price. In the event that the Administrator, during such time period, finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the Administrator shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. Once the Developer delivers the further documentation, the Administrator shall have thirty (30) days to review the additional documentation. If the further documentation is still not adequate, the Administrator shall notify the Developer in writing within such thirty-day period and may revise the Actual Cost Certificate to delete any disallowed items and the determination shall be final and conclusive. If only a portion of the Actual Cost requires further documentation, the Administrator shall include the Actual Costs that do not require further documentation in the determination of the Acquisition Price.

Upon determination of the Acquisition Price, the Administrator shall prepare a Disbursement Request Form as shown in Exhibit D for review and approval by the General Manager. The General Manager shall finalize and approve the Disbursement Request Form within ten (10) business days after receipt from the Administrator.

5.7. Payment of Acquisition Price. Within ten (10) business days after receipt of a complete Disbursement Request Form, the Authority, through the Trustee, shall authorize payment for the Eligible Portion or Acquisition Improvement from the Available Amount the Acquisition Price then due to Developer. If the Payment Request indicates that Developer is withholding from its contractor a retention of a least ten percent (10%) of the contract price for the all or the portion of the constructed Acquisition Improvement, then the full amount of the approved Acquisition Price shall be authorized for payment to Developer; if the Payment Request does not indicate the withholding by Developer of such ten percent (10%) retention, then the amount to be paid to Developer shall be equal to the Acquisition Price, less a retention of ten percent (10%) of the contract price for the Eligible Portion or Acquisition Improvement. Upon completion of such Acquisition Improvement in its entirety, including all “Punch List” work, and acceptance of the Acquisition Improvement by the Agency, the Authority, through the Trustee, shall authorize and shall pay from the Available Amount the balance of the Acquisition Price then due Developer for such Acquisition Improvement, including any 10% progress

retention then paid by Developer or any 10% retentions previously retained by Authority with respect thereto.

Payments to Developer shall be payable solely from the Available Amount. The amount to be paid to Developer shall be a reimbursement for actual costs incurred as determined by the Administrator and the Agency in accordance with this Agreement and shall not exceed the Developer's cost thereof as reasonably determined by the Administrator in consultation with the Agency to be eligible under the Act to be part of the Acquisition Price of Acquisition Improvement. All portions of the Acquisition Improvement not acquired with the Available Amount shall nonetheless be constructed by the Developer, to the extent required by the Development Documents. In the event the Available Amount is insufficient to pay the eligible Acquisition Price, any shortfall shall be the responsibility of the Developer, however Developer may request that all or any portion of such shortfall be reimbursed from additional series of bonds for the District if and when such additional bonds are issued or additional Special Tax proceeds are available, and in such event the deferred amount will be eligible for reimbursement from proceeds of such future bonds or Special Tax proceeds, to the extent funds are available.

5.8. Disbursement Request Form. Upon a determination by the Administrator of the Acquisition Price of an Acquisition Improvement or an Installment Payment for an Eligible Portion as provided in Sections 5.6 – 5.7 hereof, the General Manager shall, within ten business days of receipt of an approved Disbursement Request Form from the Administrator, submit such Form to the Authority Trustee, and the Authority Trustee shall make payment directly to the Developer or its designee, as appropriate, of the amount pursuant to the applicable Authority Trust Agreement. The Authority, the Agency and the Developer acknowledge and agree that the Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine whether or not the Acquisition Improvement or Eligible Portion has been completed or what the Acquisition Price may be with respect to the Acquisition Improvement or Eligible Portion. The Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation. In the event that the Acquisition Price of an Acquisition Improvement or the Installment Payment for an Eligible Portion is in excess of the Available Amount, the Authority Trustee shall withdraw all funds remaining in the Acquisition and Project Fund and shall transfer those amounts to the Developer or the Agency, as applicable, or its designee. The unpaid portion of the Acquisition Price shall be paid from funds that may subsequently be deposited in the Acquisition and Project Fund from a subsequent issuance of Bonds, from prepayments of Special Taxes to be used for construction or acquisition of Acquisition Improvements, or from Special Tax revenues, if any of those occurs.

5.9. Limitation on Obligations. In no event shall the Authority be required to pay the Developer or its designee more than the Available Amount (available from time to time).

5.10. Audit. The Agency and the Authority shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer (for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

6. Indemnity and Insurance.

6.1. Indemnification. Developer agrees to indemnify, defend and hold the Agency and Authority, including elective and appointed boards, commissions, officers, agents, employees and consultants (each an “**Indemnified Party**” and collectively the “**Indemnified Parties**”), harmless from and against any and all claims, liabilities, losses, damages or injuries of any kind (collectively, “**Claims**”) arising out of Developer’s, or Developer’s contractors’, subcontractors’, agents’ or employees’, acts, omissions, or operations under this Agreement, including, but not limited to, the construction by the Developer of any Acquisition Improvement, whether such acts, omissions, or operations are by Developer or any of Developer’s contractors, subcontractors, agents or employees, except to the extent such Claims are caused by the sole negligence or willful misconduct of an Indemnified Party. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of Agency and Authority, its elected officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. Developer shall defend the Agency as required by California Civil Code Section 2778, and with counsel reasonably acceptable to the Agency and Authority. Developer shall have no right to seek reimbursement from Agency or Authority for the costs of defense.

The aforementioned indemnity shall apply regardless of whether or not Agency has approved plans and/or specifications for the Acquisition Improvements and regardless of whether any insurance, workers compensation, disability or other employee benefit acts or terms required under this Agreement are applicable to any Claims. This indemnification provision is in addition to, and not in place of, any other indemnification provided by Developer to Agency, including any indemnification provision set forth in the Developer Agreement. The Agency does not and shall not waive any of its rights under this indemnity provision because of its acceptance of the bonds or insurance required under the provisions of this Agreement. Developer’s obligations to indemnify the Agency and Authority shall survive the expiration or termination of this Agreement. Developer agrees to obtain executed indemnity agreements in favor of the Agency with provisions identical to those set forth here in this section from each and every construction contractor involved by, for, with or on behalf of Developer in the performance of this Agreement. In the event Developer fails to obtain such indemnity obligations from others as required here, Developer agrees to be fully responsible according to the terms of this section. Failure of Agency to monitor compliance with these requirements imposes no additional obligations on Agency and will in no way act as a waiver of any rights hereunder.

6.2. Insurance. The Developer shall deliver to the Agency a certificate of insurance evidencing coverage for “builder’s risk” covering all risks of direct physical loss, damage, or destruction to the Acquisition Improvements in the minimum amount of the dollar value of the Acquisition Improvements; evidence of employer liability insurance with limits of at least One Million Dollars (\$1,000,000.00) per occurrence or such other amount as may be required by law, evidence of general bodily injury and property damage insurance with limits of at least Two Million Dollars (\$2,000,000.00) per person/per occurrence, automobile bodily injury and property damage insurance with limits of at least One Million Dollars (\$1,000,000) per occurrence (including owned, non-owned and hired autos, and providing coverage for loading and unloading), and such other insurance as may be required in the Developer Agreement. Developer shall maintain, keep in force and pay all premiums required to maintain and keep in force all insurance at all times during which such work is in progress. The general liability insurance to be obtained by the Developer shall name the Authority, the Agency, and the CFD, as additional insureds. The Developer shall further maintain and provide evidence of worker’s

compensation insurance coverage as provided by law. Developer shall additionally comply with all other limitations and requirements for insurance set forth in the Developer Agreement.

7. Breach of Agreement; Opportunity to Cure; Remedies.

7.1. Notice of Breach and Default. The occurrence of any of the following constitutes a breach and default of this Agreement:

(1) Developer refuses or fails to complete any Acquisition Improvement within the time set forth in the applicable Development Documents or abandons the construction of an Acquisition Improvement.

(2) Developer assigns the Agreement to an unaffiliated entity without the prior written consent of Agency.

(3) Developer is adjudged bankrupt or makes a general assignment for the benefit of creditors, or a receiver is appointed in the event of Developer's insolvency.

(4) Developer or Developer's contractors, subcontractors, agents or employees, fail to comply with any terms or conditions of this Agreement to which the Developer or Developer's contractors, subcontractors, agents, or employees are subject.

(5) Developer fails to perform any obligation under this Agreement. The Agency must serve written notice of breach and default upon Developer (and any surety that has provided bonds with respect to an Acquisition Improvement). Developer shall have 30 days to cure the breach and default described in the written notice of breach and default.

(6) Agency fails to perform any obligation under this Agreement. Developer must serve written notice of breach and default upon the Agency. The Agency shall have 30 days from receipt of such notice to cure the breach and default described in the written notice of breach and default.

7.2. Breach of Agreement; Performance by Agency. If the Agency gives Developer notice under Section 7.1 and Developer fails to cure the breach and default described in the written notice prior to the expiration of the applicable cure period, a "**Developer Event of Default**" shall be deemed to have occurred. In the event of the occurrence and continuation of a Developer Event of Default, the Agency may exercise the remedies described in Section 7.1 and in Section 7.3 below, including the right of the Agency to proceed to complete the Acquisition Improvement by contract or other method the Agency considers advisable, at the sole expense of Developer, however Agency is under no obligation, financial, performance or otherwise, to complete the Acquisition Improvement. Where funds are currently available from the collection of Special Taxes said funds shall be used first for completion of the Acquisition Improvements in the event that the Agency elects to complete the Acquisition Improvement. In the event of the occurrence and continuance of a Developer Event of Default, (i) Developer, immediately upon demand, shall pay the costs and charges related to the Acquisition Improvement and any subsequent repairs, provided, upon such payment, Developer shall be entitled to payment for the Acquisition Improvement from the Available Amount, (ii) Agency, without liability for doing so, may take possession of and utilize in completing the Acquisition Improvement and repairs, if any, such materials and other property belonging to Developer as may be on or about the Property and necessary for completion of the Acquisition Improvement,



and (iii) the Agency may draw upon any surety bonds required by the applicable Development Documents.

If the Developer gives the Agency notice under Section 7.1(6) and Agency fails to cure the breach and default described in the written notice prior to the expiration of the applicable cure period, a “**Agency Event of Default**” shall be deemed to have occurred.

7.3. Remedies. It is acknowledged by the parties that the Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Agency.

In general, upon the occurrence and continuation of a Developer Event of Default or an Agency Event of Default, the applicable party may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Agency shall not be liable in damages to the Developer or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

## 8. Miscellaneous.

8.1. Compliance with Laws. Developer shall fully comply with all federal, state, and local laws, ordinances, and regulations in the performance of this Agreement. Developer shall, at its own cost and expense, obtain all necessary permits and licenses for each Acquisition Improvement, give all necessary notices, pay all fees and taxes required by law and make any and all deposits legally required by those public utilities that will serve the development on the Project. Copies and/or proof of payment of said permits, licenses, notices, fee and tax payments and deposits shall be furnished to the General Manager upon request.

8.2. Cooperation. The Agency, the Authority and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the Authority through the levy of the CFD Special Taxes and issuance of Bonds. The Agency, the Authority, and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

8.3. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

8.4. Notices. Formal written notices, demands, correspondence and communications between Agency and Developer shall be sufficiently given if: (a) personally delivered; or (b) dispatched by next day delivery by a reputable carrier such as Federal Express to the offices of Agency and Developer indicated below, provided that a receipt for delivery is provided; or (c) if dispatched by first class mail, postage prepaid, to the offices of Agency and

Developer indicated below. Such written notices, demands, correspondence and communications may be sent in the same manner to such persons and addresses as either party may from time-to-time designate by next day delivery or by mail as provided in this section.

Agency: Santa Clarita Valley Water Agency  
24631 Avenue Rockefeller  
Valencia, CA 91355-3907  
Attn: General Manager

Authority: California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, CA 92011  
Attn: Edward J. Becker

Administrator: Francisco & Associates, Inc.  
Attn: Ed Espinoza  
5927 Balfour Court, Suite 109  
Carlsbad, CA 92008

Developer: Spring Canyon Recovery Acquisition LLC  
c/o Raintree Investment Corporation  
2753 Camino Capistrano, Suite A-201  
San Clemente, CA 92672  
Attn: Matt Villalobos

With a copy to: O'Neil LLP  
19900 MacArthur Blvd., Suite 1050  
Irvine, CA 92612  
Attn: John P. Yeager

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served two (2) business days after the date of deposit if addressed to an address within the State of California, and three (3) business days if addressed to an address within the United States but outside the State of California.

8.5. Attorney Fees. Should any legal action or arbitration be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party shall be entitled to all costs of suit; reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator.

8.6. Entire Agreement. The terms and conditions of this Agreement constitute the entire agreement among Authority, Agency, and Developer with respect to the matters addressed in this Agreement. This Agreement may not be altered, amended or modified without the written consent of all parties hereto.

8.7. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer from any condition of development or requirement imposed by any other agreement between the Agency and the Developer or any Member of Developer.

8.8. Several Obligations. The Developer, by executing this Agreement in the space provided below, agrees that it shall be severally responsible for all obligations of the Developer under Sections 5.4 and 6.1 hereof to the extent of the percentages set forth adjacent to their respective signatures.

8.9. Assignment. The obligations and rights of the parties to this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but, those rights and obligations shall not be assignable, transferable or delegable, without the written consent of the other parties hereto, such consent to not be unreasonably withheld, and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms hereof shall be void. Any assignment shall be contingent on Developer providing a written assignment and assumption agreement to Agency and Authority immediately upon such assignment.

8.10. Time is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.

8.11. Severability. If any provision of this Agreement is held, to any extent, invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provision, and shall remain in full force and effect.

8.12. Waiver or Modification. Any waiver or modification of the provisions of this Agreement must be in writing and signed by the authorized representative(s) of each party. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of the party's right to insist upon and demand strict compliance by the other party with the terms of this Agreement.

8.13. Relationship of the Parties. Neither Developer nor the Authority nor either's contractors, subcontractors, agents, officers, or employees are agents, partners, joint ventures or employees of Agency and the Developer's relationship to the Agency, if any, arising herefrom is strictly that of an independent contractor. Developer's contractors and subcontractors are exclusively and solely under the control and dominion of Developer. Further, there are no intended third-party beneficiaries of any right or obligation assumed by the parties.

8.14. Binding upon Heirs, Successors and Assigns. The terms, covenants and conditions of this Agreement shall be binding upon all heirs, successors and permitted assigns of the parties hereto; provided, however, that this Agreement shall not be binding upon a purchaser or transferee of any portion of the Property unless this Agreement has been assigned and assumed pursuant to Section 8.9, in which event this Agreement shall remain binding upon purchaser or transferee.

8.15. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Agreement shall be brought only in the Superior Court of the County of Los Angeles, State of California.

8.16. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

8.17. Interpretation. This Agreement shall be construed according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall apply to the interpretation of this Agreement.

8.18. Headings. Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions contained in this Agreement.

8.19. Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

8.20. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine

8.21. Sole Agreement. This Agreement, including all exhibits hereto, constitutes the sole agreement of the parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof. This Agreement is intended to be consistent with the Developer Agreement, and the rights and obligations created herein are in addition to those created in the Developer Agreement. In the event of a conflict, it is the express intent of the Parties that the terms in this Agreement shall govern.

[Signature Page Follows]

IN WITNESS WHEREOF, Agency, Authority, and Developer have executed this Agreement as of the Effective Date.

“AGENCY”

SANTA CLARITA VALLEY WATER  
AGENCY, a public agency

By: \_\_\_\_\_  
[title]

ATTEST:

\_\_\_\_\_  
[Title]

“DEVELOPER”

SPRING CANYON RECOVERY  
ACQUISITION LLC, a Delaware limited  
liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

“AUTHORITY”

CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY, a joint powers authority

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

**EXHIBIT A**  
**MAP OF THE CFD BOUNDARY**

## EXHIBIT B

### DESCRIPTION OF ACQUISITION IMPROVEMENTS AND ESTIMATED COSTS

Unless specifically excluded in the Agreement, the list of eligible facilities and costs consist of the following:

<b>I. Acquisition Improvements<sup>1</sup></b>	<b>Estimated Cost</b>
Water Storage Tank	\$ 4,813,400
Pump Station	\$ 5,426,500
Upgrade to Shadow Pines Lift Station	\$ 7,000,000
Backbone Water	\$ 1,952,850
Mammoth Waterline	\$ 1,560,200
Village I Water	\$ 584,800
Village II Water	\$ 938,400
Village III Water	\$ 1,047,200
Village IV Water	\$ 666,400
Village V Water	\$ 843,200
Village VI Water	\$ 1,278,400
Village VII Water	\$ 1,332,800
<b>TOTAL</b>	<b>\$ 27,444,150</b>

<sup>1</sup> The description of each Acquisition Improvement is general in nature. The scope and final description of each Acquisition Improvement shall be based upon the plans for it approved by the Agency, as necessary to serve the development within the CFD.

### II. Administrative and Incidental Expenses

In addition to the above facilities, other incidental expenses that may be financed by the CFD include but are not limited to the following: the cost of planning, permitting, approving and designing the authorized facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation); land acquisition and easement payments for authorized facilities; project management, construction staking; engineering studies and preparation engineer's reports (if required); utility relocation and demolition costs incidental to the construction of the public facilities; and any other expenses incidental to the construction, completion, and inspection of the facilities and related expenses associated with any of the foregoing.

In addition, the CFD shall fund the direct and indirect expenses incurred by the Agency in carrying out its duties with respect to the CFD including reimbursement of costs related to the formation of the CFD as well as reimbursement of any costs advanced by the Agency.

## EXHIBIT C

### ACTUAL COST CERTIFICATE

Pursuant to the Acquisition Agreement, dated as of \_\_\_\_\_, 2021 (the "Acquisition Agreement"), by and between the \_\_\_\_\_ a \_\_\_\_\_ (the "Developer"), the California Municipal Finance Authority ("Authority"), and the Santa Clarita Valley Water Agency ("Agency"), the Developer hereby requests (a) payment of the Acquisition Price of the Acquisition Improvements or Eligible Portion thereof, described in Attachment 1 hereto. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Acquisition Agreement.

In connection with this Actual Cost Certificate the undersigned hereby represents and warrants to the County as follows:

1. The undersigned is an authorized representative of the Developer, qualified to execute this certificate on behalf of the Developer and knowledgeable as to the matters set forth herein.

2. The Developer has submitted or submits herewith to the General Manager and the Administrator Record Drawings or in the case of an Eligible Portion, commits to submit Record Drawings at the completion of construction and acceptance by the Agency of the Acquisition Improvements, for each of the Acquisition Improvements described in Attachment 1, and such drawings, as applicable, are true, correct and complete representations of the Acquisition Improvements listed in Attachment 1.

3. Each of the Acquisition Improvements or Eligible Portion thereof described in Attachment 1 has been constructed in accordance with the approved improvement plans (the "Plans"), and in accordance with all applicable Agency standards and the requirements of the Acquisition Agreement, and the Plans, and none of the Acquisition Improvements described in Attachment 1 or Eligible Portion thereof has been the subject of any prior Payment Request.

4. The true and correct Actual Cost of each of the Authorized Facilities and/or Eligible Portion is set forth in Attachment 1 hereto.

5. The Developer has submitted or submits herewith to the Administrator a copy of each construction contract for each of the Acquisition Improvements described in Attachment 1, a copy of the bid notice for each such contract, a copy of each change order applicable to each such contract, all change orders having been approved by the General Manager, or his designee, and construction quantities certified by the engineer of record.

6. The Developer has submitted or submits herewith to the Administrator invoices, receipts, worksheets and other evidence of costs for each of the Acquisition Improvements described in Attachment 1 or Eligible Portion thereof, which are in sufficient detail to allow the Administrator to verify the Actual Cost of such Acquisition Improvements or Eligible Portion thereof.

7. The Developer has submitted or submits herewith to the Administrator evidence that each of the invoices, receipts, worksheets and other evidence of costs referred to in the



preceding paragraph, has been paid in full, which evidence is in the form of copies of cancelled checks or such other form as the Administrator has approved in writing.

8. There has not been filed with or served upon the Developer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive, the payment of the Acquisition Price for each of the Acquisition Improvement described in Attachment 1 or Eligible Portion thereof which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by operation of law.

9. The Developer has submitted or submits herewith to the Administrator copies of unconditional or conditional (providing for release upon payment) lien releases from the General Contractor for all work with respect to each Eligible Portion of the Acquisition Improvements described in Attachment 1. In the case of a Payment Request for a completed Acquisition Improvement including the release of prior held retention for Eligible Portions thereof, the Developer submits herewith to the Administrator copies of unconditional or conditional (providing for release upon payment) lien releases from all contractors, subcontractors and materialmen in addition to a recorded Notice of Completion for said Acquisition Improvement,

10. The representations and warranties of the Developer set forth in the Acquisition Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

11. The Developer represents that it has satisfied the conditions specified in the Acquisition Agreement for the payment of the Acquisition Price.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT 1**

<b>Acquisition Improvement (or Eligible Portion thereof)</b>	<b>Actual Cost</b>
<i>[Insert detailed description of Acquisition Improvement to be acquired]</i>	
<b>Total</b>	

**EXHIBIT D**

**DISBURSEMENT REQUEST FORM**

To: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Re: CMFA CFD No. \_\_\_\_\_ (\_\_\_\_\_)

The undersigned, a duly authorized officer of the SANTA CLARITA VALLEY WATER AGENCY (the “**Agency**”) hereby requests a withdrawal from the CFD Acquisition and Project Fund as follows:

Request Date: [Insert Date of Request]

Name of Developer: \_\_\_\_\_

Withdrawal Amount: [Insert Acquisition Price/Installment Payment]

Acquisition Improvements : [Insert Description of Acquisition Improvement(s)/Eligible Portion(s)]

Payment Instructions: [Insert Wire Instructions or Payment Address for Developer or Developer’s designee as provided by the Developer]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from this or any other Acquisition and Project Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Project Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Project Fund, should that occur.

The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the “Acquisition Improvements”). The Agency will own, and for the entire useful life of such Acquisition Improvements reasonably expects to own, all such Acquisition Improvements, except those facilities identified in Government Code Section 53313.5(e). To the extent any of such Acquisition Improvements are

sold to an entity that is not a state or local government agency, the Agency will seek the advice and approval of bond counsel to the Authority prior to any such sale. The Agency will not allow any of such Acquisition Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) except as permitted pursuant to Government Code Section 53313.5(e). All such Acquisition Improvements will be used in the performance of essential governmental functions of the Agency or another state or local government agency. The average expected useful life of such Acquisition Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Acquisition Improvements is excluded from gross income for federal income tax purpose under Section 1.03 of the Internal Revenue Code of 1986 (the "Code").

SANTA CLARITA VALLEY WATER AGENCY

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT E

### **BIDDING, CONTRACTING AND CONSTRUCTION REQUIREMENTS FOR ACQUISITION IMPROVEMENTS**

When the estimated cost to construct any Acquisition Improvement will exceed thirty thousand dollars (\$30,000), Developer shall let the contract to the lowest responsible bidder after advertising for bids by three insertions in a daily newspaper of general circulation published in the Santa Clarita Valley area or by two insertions in a nondaily newspaper of general circulation published in the Santa Clarita Valley area. In the event no responsive proposals are received, Developer shall solicit bids from qualified contractors. Developer shall advertise for bids for any materials and supplies to be used in work for Acquisition Improvements that exceed \$30,000 and award such material and supply contracts to the lowest responsible bidder. Developer does not have to advertise for bids for work, or materials or supplies, if the cost of the Acquisition Improvement does not exceed thirty thousand dollars (\$30,000).

No contractor or subcontractor may be listed on a bid proposal for the public Acquisition Improvements unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. No contractor or subcontractor may work on the public Acquisition Improvements unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Developer shall be responsible for ensuring that these contractor registration requirements are adhered to since construction of the public Acquisition Improvements is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

An authorized representative of the Agency and the Administrator shall be provided a copy of the tabulation of bid results upon request.

Contract(s) for the construction of the public Acquisition Improvements shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Developer. Developer shall not award a contract to a contractor that is in conflict of interest with the Developer or the Agency pursuant to Government Code Section 1090.

The contractor to whom a contract is awarded shall be required to pay not less than the prevailing rates of wages pursuant to the Labor Code Regulations, including Labor Code Sections 1770, 1773 and 1773.1. A current copy of applicable wage rates shall be on file in the Office of the Clerk of the Agency, as required by Labor Code Section 1773.2.

**[This page intentionally left blank.]**

## DEPOSIT AND REIMBURSEMENT AGREEMENT

THIS DEPOSIT AND REIMBURSEMENT AGREEMENT (this “**Agreement**”) is made and entered into effective as of August 1, 2021 (“**Effective Date**”) by and between Spring Canyon Recovery Acquisition LLC, a Delaware limited liability company (the “**Developer**”), and the Santa Clarita Valley Water Agency (“**SCVWA**”).

### RECITALS

A. The Developer has submitted an application to the California Municipal Finance Authority (the “**Authority**”) to initiate and conduct proceedings for establishment of a community facilities district, pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), related to the Developer’s Spring Canyon project (such community facilities district, the “**CFD**”), and to issue and sell special tax bonds of the Authority, acting on behalf of the CFD, in one or more series over time (the “**Bonds**”) pursuant to the Act and upon the security of the unpaid special tax revenues derived from the levy of the landowner-voter-approved special tax levied upon the taxable property in the CFD, which is to be levied to finance the cost and expense of acquiring, constructing and installing certain public capital improvements of SCVWA (the “**Authorized SCVWA Improvements**”).

B. In the event the Authority is able to accomplish sale and delivery of Bonds on terms and conditions satisfactory to the Authority, the Authority intends to utilize the proceeds of sale thereof to (1) reimburse the Developer for any deposit made pursuant to this Agreement and (2) finance the acquisition, construction and installation of the Authorized SCVWA Improvements, including certain authorized incidental expenses of the CFD together with the costs of issuance of the Bonds.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. The Deposit. The Developer hereby agrees to provide, or cause to be provided, to SCVWA an initial deposit of \$70,000 (the “**Initial Deposit**”), to be used by SCVWA toward the payment of costs of SCVWA incurred in reviewing and processing the documents and approvals required in order for the Authority to initiate the proceedings to establish the CFD and to allow the CFD and Developer to finance the Authorized SCVWA Improvements (the “**Initial Costs**”). The Initial Deposit, together with any subsequent deposits made pursuant to this Agreement are collectively referred to as the “**Deposit**”. SCVWA shall at all times maintain records as to the expenditures of the Deposit. The Deposit shall be disbursed as set forth below.

The Deposit may be sent via check or wire as follows:

Address for Deposit by Check:  
Santa Clarita Valley Water Agency

27234 Bouquet Canyon Road  
Santa Clarita, CA 91350-2173  
ATTN: Chief Financial and Administrative Officer

Wire Instructions:

Account Name: Santa Clarita Valley Water Agency  
Account Number: 4221468572  
Bank: Wells Fargo Bank, N.A.  
From USA:  
ABA Number: 121000248

Section 2. Use of Deposit. The Deposit shall be used by SCVWA only as follows:

(a) Initial Costs. The Authority may draw upon the Deposit to pay for the Initial Costs, which include, but are not limited to, reimbursement for the time and expenses of SCVWA staff and related costs, as well as the fees and expenses of any consultants to SCVWA (such as engineering and legal) with whom the Initial Costs are incurred.

(b) CFD Formed; Bonds Issued. If the CFD is formed and Bonds are issued under the Act, SCVWA hereby agrees the Authority may promptly reimburse the Developer, without interest, all amounts charged against the Deposit, such reimbursement to be made solely from the proceeds of such Bonds and only to the extent otherwise permitted under the Act. As soon as practicable after SCVWA's completion of its review and processing of the documents and approvals described in Section 1 above, SCVWA shall return to the Developer the then-unexpended Deposit, if any, without interest.

Section 3. Additional Deposit. If the Initial Deposit falls below \$10,000, SCVWA shall notify Developer either by telephone or in writing prior to incurring any additional costs. Upon Developer's acknowledgment of such notice, SCVWA shall make written demand upon Developer for an additional deposit, which shall be made in the amount of \$25,000 and shall be paid within 15 days of written request by SCVWA. Any additional deposit so paid shall be reimbursed to the Developer, without interest, from proceeds of Bonds or special taxes levied for the CFD.

Section 4. No Debt or Liability of SCVWA. This Agreement is not a debt or liability of SCVWA. SCVWA shall in no event be liable hereunder other than for the return of the unexpended and uncommitted portions of the Deposit as provided in Section 2 above. SCVWA shall not be obligated to advance any of its own funds with respect to the matters described herein or for any of the other purposes listed in Section 1 hereof. No member of the Board or officer, employee or agent of SCVWA shall in any event be personally liable hereunder.

Section 5. Amendment and Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. In the event the Developer shall assign its rights to receive reimbursement, the Developer agrees to provide SCVWA with such assurances as SCVWA may reasonably require from the assignee of the Developer as to the rights of reimbursement and SCVWA reserves the right to make any



reimbursements payable jointly to such persons as SCVWA may reasonably expect to be paid. This Agreement may be assigned, in whole or in part, by the Developer to the purchaser of any parcel of land within the Property provided, however, such assignment shall not be effective unless and until SCVWA has been notified, in writing, of such assignment.

Section 6. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

Section 7. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

SCVWA: Santa Clarita Valley Water Agency  
24631 Avenue Rockefeller  
Valencia, California 91355-3907  
Attn: General Manager

Developer: Spring Canyon Recovery Acquisition LLC  
RainTree Investment Corporation  
2753 Camino Capistrano, Suite A-201  
San Clemente, CA 92672  
Attn: Matt Villalobos

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other party hereto.

Section 8. Attorneys' Fees. In the event of the bringing of any action or suit by any party against any other party arising out of this Agreement, the party in whose favor final judgment shall be entered shall be entitled to recover from the losing party all costs and expenses of suit, including reasonable attorneys' fees.

Section 9. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 10. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 11. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party hereto, or the failure by a party to exercise its rights upon the default of another party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 12. No Third-Party Beneficiaries. No person or entity shall be deemed to be a third-party beneficiary hereof, and nothing in this Agreement (either express or implied) is

intended to confer upon any person or entity, other than SCVWA and Developer (and their respective successors and assigns, exclusive of individual homebuyers), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 13. Effective. This Agreement shall be effective upon the execution of the Developer and no separate execution of the Agreement shall be required by SCVWA and/or Developer.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument. To facilitate execution of this Agreement, the parties may execute and exchange by facsimile or electronic mail counterparts of the signature pages, which facsimile or electronic mail counterparts shall be binding as original signature pages.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the day and year written above.

SANTA CLARITA VALLEY WATER AGENCY,  
a public agency

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

SPRING CANYON RECOVERY ACQUISITION LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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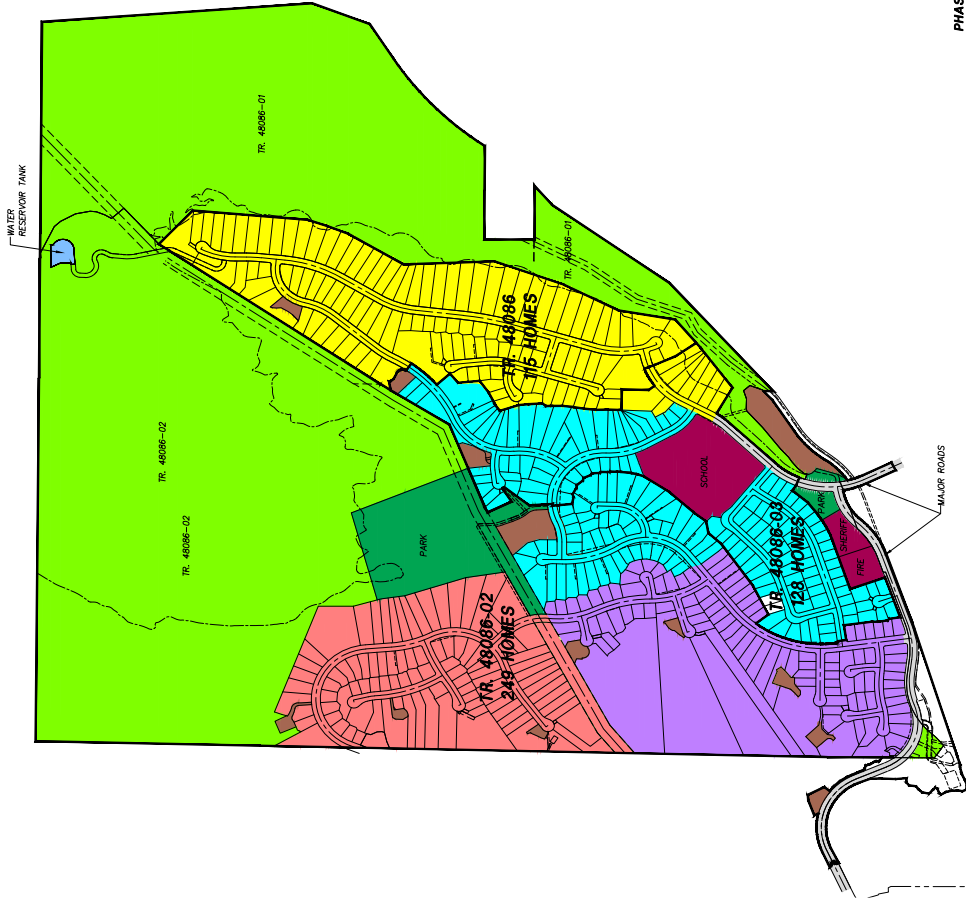
# Spring Canyon CFD Update

## August 16, 2021



# Project Overview

- The Spring Canyon Project (“Project”) was initially approved in 2004 to allow for the development of 542 residential units on the 552-acre site.
- Subsequently, Pardee Homes acquired the Project at the end of 2006, but due to the last real estate recession, they transferred ownership of the Project back to the lender.
- Raintree Investment Corporation (“Developer”) acquired the Project in 2013 and has been processing the required entitlements to allow for development.
- In August 2019, the Developer recorded all four final maps for the Project subdividing the land into 492 residential lots.



## CFD Update / Request

- Last year, SCV Water joined the California Municipal Finance Authority (“CMFA”), allowing a Joint Community Facilities Agreement (“JCFA”) with CMFA, similar to a local agency sponsored CFD.
- CMFA would form the CFD under their program, “Bond Opportunities for Land Development” (“BOLD”); the benefit is that CMFA handles all matters related to the CFD such as the issuance of bonds and annual administration of the CFD.
- The JCFA will allow SCV Water to retain as much or as little control of the construction, inspection, and approval of the sewer and water facilities as they like and eliminate any ongoing financial and administrative responsibility typical of a CFD.
- This JCFA between the Developer and SCV Water provides a mutual solution to the Shadow Pines Lift Station, which serves an area larger than the Project.
- Total Project infrastructure costs are approximately \$150 million, total water/sewer/drainage improvements are nearly \$62 million, and SCVWA water improvements are roughly \$27.4 million.

## CFD Update / Request (cont.)

- Before you tonight is a Deposit and Reimbursement Agreement as well as a draft Acquisition and Funding Agreement.
- The Deposit and Reimbursement Agreement requires Developer to fund \$70,000 to offset SCV Water costs associated with the BOLD program and CFD related expenses, with additional deposits in the amount of \$25,000 in the event the initial deposit dips below \$10,000.
- The Acquisition Funding Agreement provides for the financing of \$27.4 million in SCV Water infrastructure costs as well as the upgrades to the Shadow Pines Lift Station.
- The Developer is not asking for the funding of SCV Water fees or other related costs.
- The Developer requests that Finance Committee recommend approval of the draft Acquisition Funding Agreement and forward the agreement to the SCV Water Board of Directors for approval at the September 7, 2021, meeting.



# Recap – Finance Committee Meetings

- The total cost for SCV Water improvements are approximately \$27.4 million (table below).
- These water projects would be a partnership with SCV Water and the Developer, benefiting rate payers by: (1) transferring the last of SCV Water’s sewer facilities to the City/County and (2) creating additional water storage and distribution facilities (improves service pressures, energy efficiency, and flexibility for system maintenance).

Improvement Projects (1)	Estimated Cost
Water Storage Tank	\$ 4,813,400
Pump Station	\$ 5,426,500
Upgrade to Shadow Pines Lift Station	\$ 7,000,000
Backbone Water	\$ 1,952,850
Mammoth Lane Waterline	\$ 1,560,200
Village I Water	\$ 584,800
Village II Water	\$ 938,400
Village III Water	\$ 1,047,200
Village IV Water	\$ 666,400
Village V Water	\$ 843,200
Village VI Water	\$ 1,278,400
Village VII Water	\$ 1,332,800
<b>TOTAL COST</b>	<b>\$ 27,444,150</b>

Source: Goodfellow Bros. Construction.

**Footnote:**

(1) The description of each Acquisition Improvement is general in nature. The scope and final description of each Acquisition Improvement shall be based upon the plans for it approved by the Agency, as necessary to serve the development within the CFD.

# Preliminary CFD Analysis

Project Assumptions	Amount	Bond Assumptions	Amount
Estimated W. Avg. Home Size (sf)	2,820	Bond Amount (30 Year Term)	\$33,050,000
Estimated W. Avg. Base Home Price <sup>(1)</sup>	\$842,990	Interest Rate <sup>(1)</sup>	4.50%
<b>Ad Valorem Tax Rates</b>		Underwriter's Discount (1.75%)	(\$578,375)
General (1.0000%)	\$8,430	Capitalized Interest (1 Year)	(\$1,487,250)
Sulphur Springs SD (0.0198%)	\$227	Reserve Fund	(\$2,708,643)
William S. Hart UHSD (0.0549%)	\$461	Cost of Issuance	(\$826,250)
Santa Clarita Valley CCD (0.0295%)	\$342	<b>Total Net Construction Proceeds</b>	<b>\$27,449,482</b>
Castaic Lake Water Agency (0.0706%)	\$595		
<b>Direct Charges <sup>(2)</sup></b>			
Combined Existing Direct Charges	\$928		
<b>Proposed CFD Special Tax</b>			
Total Annual Property Taxes Collected	\$3,645		
<b>Property Taxes as % of Home Value</b>	\$14,628		
	<b>1.74%</b>		
Unit Mix	492		
Total CFD Annual Tax Collections	\$1,793,407		
Total Annual Special Taxes for Debt Service <sup>(3)</sup>	\$1,607,643		

**Footnote:**

(1) Conservative estimate; actual interest rates/yields will vary based on market conditions at time of sale.

**Footnotes:**

- (1) Home price is net of homeowner's exemption (\$7,000).
- (2) Direct charges include taxes and assessments for LA County parks and recreation, lighting district, solid waste services, library services, sanitation, fire services, mosquito abatement, sewer maintenance, drainage and trauma/emergency services.
- (3) Annual taxes reduced for annual administration fee (estimated to be \$25,000) and to provide 110% of debt service coverage.

# Impact to Homebuyer

## Effective Tax Rate

- The estimated effective tax rate for the CFD is estimated to be 1.74% of a home's assessed value. The calculation accounts for current 2021 estimated home prices and conservative bond interest rate assumptions (since bonds will not be issued for a few years).
- Nearby projects generally have effective tax rates higher than what is anticipated for the Project (see table to the right).

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## Homebuyer Benefit

- The costs of improvements would otherwise be passed on to homebuyers, increasing the sale price of homes. The benefit of the CFD to homebuyers is:
  - Reduces the amount of their mortgage,
  - Reduces cash required for a down payment, and
  - Lowers the income qualification threshold required for families to qualify for financing (debt to income ratio).
- The CFD does not affect homebuyer choice; they can choose to purchase an existing home that does not have a CFD tax or a new home in Spring Canyon.

Project	Effective Tax Rate
Skyline	1.61% - 1.67%
Aliento	1.73%
Five Knolls	1.88%
West Creek/West Hills	2.00% - 2.02%
River Village	1.89% - 2.25%
Villa Metro	1.93% - 2.04%

Source: Official Statements from transactions for other projects in the Project Area.

# CFD Highlights/FAQs

## **Benefits of a CMFA CFD**

- Provides accelerated funding for public improvements without SCV Water assuming any financial or administrative burden.
- Existing rate payers do not pay cost of improvements; future homeowners mitigate the impact of the Project.

## **SCV Water Fiscal Impacts and Exposure**

- No financial risk to SCV Water;
- Zero cost to SCV Water;
- No financial or administrative responsibility for SCV Water; and
- No impact to existing homeowners with SCV Water service who do not live in Spring Canyon.

## **Tax Bill Questions**

- CMFA is on the tax bill. CMFA and the administrator's phone number will be listed for taxpayers to call if they have any questions regarding their tax bill.

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## **Affect on SCV Water's Bonding Capacity**

- There is no impact to SCV Water's bonding capacity. This is a stand-alone financing mechanism solely secured by this project, and CMFA will handle all CFD related issues.

## **Delinquent Taxes**

- CMFA will be responsible for the collection of any delinquent taxes. SCV Water will not have any involvement, responsibility, or liability.

## **Benefit to SCV Water**

- This CFD will help facilitate SCV Water's exit of the sewer business as Shadow Pines Lift Station is still operated by SCV Water.
- The Project makes significant improvements to the water system facilities at the end of the line, looping Zone 2 and 3 water systems.

## **CFDs and Other Water Agencies**

- Numerous other water agencies in the State have used CFD financing to help fund needed infrastructure.

# Next Steps / Questions


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## COMMITTEE MEMORANDUM

**DATE:** August 9, 2021

**TO:** Finance and Administration Committee

**FROM:** Eric Campbell   
Chief Financial and Administrative Officer

**SUBJECT:** Discuss Establishing a Community Facility District (CFD) for The Highlands at Tesoro del Valle Project

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### SUMMARY

The Board previously adopted its Community Facility District (CFD) Policy, which establishes requirements that must be met for the Santa Clarita Valley Water Agency (Agency; SCV Water) to participate in financing infrastructure costs through a CFD.

At the December 15, 2020 Board meeting, resolutions to join the California Municipal Finance Authority (CMFA), enter a Joint Exercise of Powers Agreement with the CMFA, and to authorize participation in the CMFA's Bond Opportunities for Land Development Program (BOLD) were approved. Pursuant to such authorization, the Agency has discretion to allow Agency facilities required for new development to be funded through CMFA.

Builders of the Highlands at Tesoro del Valle Project (Tesoro Highlands) have requested that the Agency approve the form of an Acquisition and Funding Agreement (Acquisition Agreement), which would authorize Tesoro Highlands to fund certain facilities required by the Agency through a CFD formed by CMFA. The builder has prepared a presentation that explains the project, history of the project (it is Phase II), infrastructure projects requested to be included, and tax impacts on future owners.

The Agency has entered into a Deposit and Reimbursement Agreement (Deposit Agreement) with Tesoro Highlands whereby Tesoro Highlands has deposited funds with the Agency, and has agreed to continue to deposit additional funds with the Agency (as needed) to cover all costs required to analyze whether to enter into the Acquisition Agreement, and to negotiate and enter into the Acquisition Agreement and take other related actions. Additionally, a form of Acquisition Agreement has been negotiated and is presented as a part of this agenda item.

### DISCUSSION

CFDs are authorized under Government Code section 53311 *et seq.*, which is a part of the Mello-Roos Community Facilities Act of 1982. Also known as "Mello-Roos Districts," CFDs are often created for establishing a method of financing public improvements, fees, or services by imposing a "special tax" on real property in a defined geographic area. CFDs may issue bonds repaid by such special taxes, including homeowners through an annual levy of the CFD special tax. The Agency and its predecessor organizations have not historically participated in CFDs.

Section 3.0 of the CFD Policy, titled “LIMITS AND CONSTRAINTS FOR CFD PARTICIPATION,” is included on the next page. Staff has reviewed each of the requirements, and the proposed CFD for the Tesoro Highlands project is in compliance with Agency policy.

3.0 LIMITS AND CONSTRAINTS FOR CFD PARTICIPATION

For the Agency to consider participating in a CFD, the following conditions must be met:

1. Facility Capacity Fees will not be financed.
2. On a case by case basis, there must be a benefit to the Agency’s customers as determined by the sole discretion of the Board.
3. Staff time must be available to carry out the Agency’s responsibilities in establishing and administering the CFD, and the Agency’s ongoing administration costs must be included in the special tax.
4. A Deposit and Reimbursement Agreement between the Agency and the developer must be agreed upon whereby the developer pays all the Agency’s costs, including third party consultant and legal costs.
5. Prior to the formation of the CFD or the issuance or sale of special tax bonds, the Agency and Developer will have a completed an Acquisition Agreement, setting forth the terms upon which the Agency will acquire the specific infrastructure to be funded by the CFD and acquired using proceeds of the special taxes and/or bonds.
6. All Agreements shall be governed by, construed and enforced under the Constitution and laws of the State of California. Venue for any legal actions involving this Agreement shall rest with the Superior Court, County of Sacramento
7. Another public agency must be the primary administrator.

The Tesoro Highlands Project allows for the development of 820 total residential units (455 market rate units and 365 age qualified units) and is estimated to have \$17.5 million in Agency related water infrastructure costs as shown in Table 1.

**Table 1**

<b>SCVWA Improvement Projects</b>	<b>Estimated Cost</b>
Two Steel 1.2 Million Gallon Reservoirs	\$4,290,000
Pump Station - Two 1,000 GPM Pumps	\$2,420,000
Domestic Water - Backbone Avenida Rancho Tesoro	\$3,740,000
Domestic Water - Planning Areas	\$7,040,000
<b>Total Water Facilities</b>	<b>\$17,490,000</b>



Formation and administration of the Tesoro Highlands Project CFD, and issuance of any bonds by the CFD, would be carried out by the CMFA. The CMFA has limits on the amount of financing that can be approved based on property value, and a limit on the special tax that can be charged to each property. These limits have been estimated by the developer for this discussion and would be part of the CFD development process with the CMFA. Table 2 shows the estimated average home size and price, existing Ad Valorem tax rates and taxes, the estimated CFD special tax amount and total taxes projected to be collected from the average priced market rate unit (\$30,925) annually, with a combined projected tax rate (1.85%). The total taxes projected to be collected for the average priced age qualified unit is (\$11,703) annually with a combined projected tax rate of 1.32%. Note that the age qualified units are not planned on being allocated any of the CFD costs.

**Table 2: Project Assumptions, List of Property Tax Components, and Estimated Tax Rate**

<b>Project and Property Tax Assumptions</b>	<b>Traditional SFD Unit</b>	<b>Estate SFD Unit</b>	<b>Age-Qualified Unit</b>	<b>Total / Weighted Average</b>
Unit Mix	318	137	365	820
Weighted Average Home Size (SqFt)	3,113	4,647	2,055	2,898
Weighted Average Home Price	\$1,095,349	\$1,671,639	\$884,333	\$1,097,704
Ad Valorem Property Taxes				
General (1.000000%)	\$10,953	\$16,716	\$8,843	\$10,977
Elementary School (0.057021%)	\$625	\$953	\$504	\$626
High School (0.054642%)	\$599	\$913	\$483	\$600
Community College (0.040546%)	\$444	\$678	\$359	\$445
Water (0.070600%)	\$773	\$1,180	\$624	\$775
Combined Fixed Charges	\$1,005	\$1,098	\$890	\$969
Proposed CFD Special Tax	\$5,635	\$9,386	\$0	\$3,754
Total Annual Property Taxes	\$20,035	\$30,925	\$11,703	\$18,146
<b>Total Effective Property Tax Rate</b>	<b>1.83%</b>	<b>1.85%</b>	<b>1.32%</b>	<b>1.65%</b>

To generate the financing proceeds required, a set of preliminary assumptions have been developed and are included in Table 3. These numbers are expected to change if work continues on the financing.

**Table 3: Project CFD Bond Assumptions**

<b>Bond Assumptions and Estimated Bond Proceeds</b>	<b>Amount</b>
Number of Bond Issuances	2
Total Annual CFD Tax Collections	\$3,077,971
Average Bond Yield	3.50%
Gross Bond Proceeds	\$49,860,000
Underwriter's Discount	(\$747,900)
Reserve Fund	(\$2,706,908)
Capitalized Interest	(\$810,521)
Issuance Costs	(\$700,000)
<b>Net Construction Proceeds*</b>	<b>\$44,894,671</b>

*Prudent Management of Risk*

The SCV Water Community Facility District Policy, Section 4.0 “PRUDENT MANAGEMENT OF RISK” includes ten items that, as a matter of policy, must be met for a CFD to be developed. The Deposit Agreement covers how the Developer will reimburse the Agency’s relevant legal, consultant and administrative costs incurred. Specifically, the Deposit Agreement requires that Tesoro Highlands will cover all costs “incurred in reviewing and processing the documents and approvals required in order for the Authority to initiate the proceedings to establish the CFD and to allow the CFD and Developer to finance the Authorized SCVWA Improvements” including without limitation staff and related costs, consultant costs (including engineering and legal) and other related costs. Payment of such costs is not contingent upon formation of the CFD. The initial deposit is \$70,000, and Tesoro Highlands has agreed to deposit an additional \$25,000 any time the amount on deposit dips below \$10,000.

“The Acquisition Agreement outlines requirements for the Agency to accept facilities that Tesoro Highlands is required to build, and conditions for Tesoro Highland to be reimbursed for its costs for such facilities.

If the Committee were to move forward with recommending the establishment of a CFD for the Tesoro Highlands Development, the Board would be asked to approve the attached draft resolution.

**FINANCIAL CONSIDERATIONS**

None currently.

**RECOMMENDATION**

That the Finance and Administration Committee consider whether to recommend establishing a Community Facility District for the Highlands at Tesoro del Valle Project .

EC

Attachments

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RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
APPROVING AN ACQUISITION FUNDING AGREEMENT  
AMONG THE SANTA CLARITA VALLEY WATER AGENCY,  
THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY  
AND BLC TESORO LLC  
AND TAKING OTHER ACTIONS RELATING THERETO**

**WHEREAS**, the Santa Clarita Valley Water Agency (the “Agency”) previously took action to become a member of the California Municipal Finance Authority (the “Authority”), and to authorize participation in the Authority’s Bond Opportunities for Land Development (“BOLD”) program, pursuant to which the Authority may form a community facilities district under the provisions of Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the California Government Code, commonly known as the “Mello-Roos Community Facilities Act of 1982” (the “Act”), levy special taxes, and issue bonds, for the purpose of facilitating cost-effective financing for public infrastructure that developers are required by the Agency to construct; and

**WHEREAS**, BLC Tesoro LLC, a Delaware limited liability company (the “Developer”), is the owner and developer of certain real property within the Agency, and has applied for financing through the BOLD program; and

**WHEREAS**, the Developer has requested that the Authority conduct proceedings for the formation of a community facilities district (the “Community Facilities District”), pursuant to the Act, for the purpose, among others, of financing through the levy of special taxes and sale of bonds the design, construction and acquisition of public facilities which are necessary to meet increased demands placed upon the Agency as a result of the development of the property within the Community Facilities District; and

**WHEREAS**, pursuant to Sections 53316.2 through 53316.6 of the California Government Code, a community facilities district may finance facilities to be owned or operated by an entity other than the Authority that created the Community Facilities District, pursuant to a joint community facilities agreement if the legislative body of each entity adopts a resolution declaring that such a joint agreement would be beneficial to the residents of that entity; and

**WHEREAS**, there has been presented to the Board of Directors a form of Acquisition Funding Agreement by and among the Agency, the Authority, and the Developer, which also serves as a joint community facilities agreement under Sections 53316.2 through 53316.6 (the “Agreement”); and

**WHEREAS**, the Board of Directors has determined that the proposed Agreement will be beneficial to the residents of the Agency and the proposed community facilities district;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Santa Clarita Valley Water Agency as follows:

1. The Board of Directors of the Agency determines that the Agreement will be beneficial to the residents of the Agency and the proposed Community Facilities District.

2. The Agreement is approved in the form submitted to the Board of Directors at the meeting at which this resolution is adopted and the President, General Manager, Assistant General Manager, or their designees, are authorized to execute and deliver the Agreement on behalf of the Agency, and the Secretary to the Board of Directors or her designee is authorized to attest thereto. The General Manager of the Agency, or his designee, is authorized to consent to such modifications of the Agreement as are determined by counsel to the Agency to be necessary, provided such revisions are not material.
  
3. This Resolution shall take effect immediately upon its adoption. The Secretary is hereby authorized and directed to transmit a certified copy of this resolution and the final, executed Agreement to the Developer and to CMFA.

## ACQUISITION FUNDING AGREEMENT

California Municipal Finance Authority  
BOLD Program Community Facilities District No. \_\_\_\_\_  
(\_\_\_\_\_)

THIS ACQUISITION AGREEMENT (“**Agreement**”) is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (“**Effective Date**”) among BLC Tesoro LLC, a Delaware limited liability company (the “**Developer**”), the California Municipal Finance Authority (“**Authority**”), and the Santa Clarita Valley Water Agency (“**Agency**”).

### RECITALS

A. On \_\_\_\_\_, 2021, the governing board of the Authority adopted Resolution No. \_\_\_\_\_ (the “**Resolution**”) forming Community Facilities District No. \_\_\_\_\_ (\_\_\_\_\_) (the “**CFD**”) and designating Improvement Area No. 1 and Improvement Area No. 2 therein (each, an “**Improvement Area**”), under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California (the “**Act**”). The Authority is authorized to levy special taxes upon land within the CFD and issue bonds (the “**Bonds**”) in one or more series to provide financing for infrastructure and other public capital improvements to be owned, operated or maintained by the Agency and other public agencies. The boundaries of the CFD and each Improvement Area are illustrated on Exhibit A hereto; and

B. In connection with the CFD, the Developer applied to the Authority and the Agency for the financing of certain public capital improvements as further described in Exhibit B hereto (collectively, the “**Acquisition Improvements**”) to be owned, operated or maintained by the Agency.

C. The Authority is authorized to levy special taxes and issue Bonds, in one or more series, within each Improvement Area to fund, among other things, all or a portion of the costs of the Acquisition Improvements. Collectively, for all Improvement Areas, the portion of the proceeds of the special taxes (including prepayments) and Bonds allocable to the cost of the Acquisition Improvements, together with interest earned thereon, is referred to herein as the “**Available Amount**.”

D. The CFD will provide financing for the design and acquisition by the Agency of the Acquisition Improvements and the payment of the Acquisition Price (as defined herein) of the Acquisition Improvements from the **Available Amount**. Attached hereto as Exhibit B is a description of the Acquisition Improvements that are eligible to be acquired from the Developer.

E. The parties anticipate that pursuant to this Agreement the Developer may be reimbursed for costs of the Acquisition Improvements and, subject to the terms and conditions of this Agreement, the Agency will acquire the completed Acquisition Improvements.

F. Any and all monetary obligations of the Authority arising out of this Agreement are the special and limited obligations of the Authority payable only from the Available Amount,

and no other funds whatsoever of the Authority or the Agency shall be obligated therefor under any circumstances.

G. The Owner and Agency have entered into the Santa Clarita Valley Water Agency Master Agreement for Developer-Constructed Improvements dated December 5, 2019 (“Developer Agreement”). The terms of this Agreement are intended to be consistent with and in addition to those set forth in the Developer Agreement.

H. Attached to this Agreement are Exhibit A (Map of CFD Boundary), Exhibit B (Description of Acquisition Improvements), Exhibit C (Actual Cost Certificate), Exhibit D (Disbursement Request Form), and Exhibit E (Bidding, Contracting and Construction Requirements for Acquisition Improvements), all of which are incorporated into this Agreement for all purposes.

I. Under Section 53316.2 of the Act, the Authority may form a CFD to, among other things, finance the Acquisition Improvements, provided that the Authority and the Agency enter into a joint community facilities agreement such as this Agreement. Agency is willing to cooperate with the Authority in the Authority’s financing of the Acquisition Improvements and to confer upon the Authority a full power to provide financing for the Acquisition Improvements in the event that proceeds of special taxes and/or bonds of the CFD become available and are utilized for such purpose by executing this Agreement under the authority of Section 53316.2 of the Act.

J. In consideration of the formation of the CFD and the issuance of the Bonds, and the mutual covenants, undertakings and obligations set forth below, the Agency, the Authority and the Developer agree as stated below.

## AGREEMENT

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing Recitals are true and correct and are hereby incorporated into and form a material part of this Agreement.

2. Effect on Other Agreements. Nothing in this Agreement shall be construed as affecting the Developer’s or the Agency’s duty to perform their respective obligations under any other agreements (including the Development Documents defined below), land use regulations or subdivision requirements related to the Project, which obligations are and shall remain independent of the Developer’s and the Agency’s rights and obligations under this Agreement.

3. Definitions. As used herein, including the Recitals and all Exhibits, the following capitalized terms shall have the meanings ascribed to them below:

“**Acceptable Title**” means free and clear of all monetary liens, encumbrances, assessments, whether any such item is recorded or unrecorded, and taxes, except (i) those items which are reasonably determined by the General Manager not to interfere with the intended use and therefore are not required to be cleared from the title and (ii) the lien of the CFD or any other community facilities district or assessment district provided that the property owned by the Agency is exempt from such taxation or assessment.

**“Acquisition and Project Fund”** means the “CMFA CFD \_\_\_\_\_ (\_\_\_\_\_) Acquisition and Project Fund” established and held by the Authority pursuant to the Resolution and Section 5.2 hereof for the purpose of paying the Acquisition Price of the Acquisition Improvements.

**“Acquisition Improvement”** means a public capital improvement, including an Eligible Portion thereof as described in Section 5.6 hereof, described in Exhibit B, as may be amended from time to time.

**“Acquisition Price”** means the total amount eligible to be paid to the Developer from the Available Amount for an Acquisition Improvement or Eligible Portion thereof, as provided in Sections 5.6 and 5.7, not to exceed the Actual Cost of the Acquisition Improvement.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5, of the Government Code of the State of California.

**“Actual Cost”** means the total paid cost of an Acquisition Improvement or Eligible Portion thereof, as documented by the Developer to the satisfaction of the Administrator in an Actual Cost Certificate including, without limitation, (a) the Developer’s cost of constructing such Acquisition Improvement or Eligible Portion thereof, including a portion of the grading costs in the amount attributable to Acquisition Improvements, as determined by the Administrator, labor, material and equipment costs, (b) the Developer’s cost of designing and engineering the Acquisition Improvement, preparing the plans and specifications and bid documents for such Acquisition Improvement, and the costs of inspection, materials testing and construction staking for such Acquisition Improvement, (c) the Developer’s cost of any performance, payment and maintenance bonds and insurance, including title insurance, required hereby for such Acquisition Improvement, (d) the Developer’s cost of environmental evaluation or mitigation required for such Acquisition Improvement to the extent approved by the Agency, (e) the amount of any fees, such as permit and plan processing fees relating directly to the Acquisition Improvement, and (f) the Developer’s construction management costs in an amount equal to 5% of the eligible hard construction cost, as determined by the Administrator.

**“Actual Cost Certificate”** means a certificate prepared by the Developer in substantially the form shown in Exhibit C detailing the Actual Cost of an Acquisition Improvement or Eligible Portion thereof, to be acquired hereunder, as may be revised by the General Manager pursuant to Section 5.6.

**“Administrator”** means Francisco & Associates, Inc., as the acquisition consultant and auditor for the Authority.

**“Agency Resolution”** means Agency Resolution No. \_\_\_\_\_, adopted \_\_\_\_\_, 2021 titled “\_\_\_\_\_”

**“Agreement”** means this Acquisition Agreement, dated as of \_\_\_\_\_, 2021, by and among the Agency, the Authority, and the Developer.

**“Authority”** means the California Municipal Finance Authority.

**“Authority Trust Agreement”** means a trust agreement, indenture or fiscal agent agreement entered into by the Authority and an Authority Trustee or Fiscal Agent in connection with the issuance of a series of Bonds on behalf of the CFD for an Improvement Area.

**“Authority Trustee”** means the financial institution identified as trustee or fiscal agent in an Authority Trust Agreement.

**“Available Amount”** shall have the meaning assigned to the term in Recital D.

**“Board of the Authority”** means the Board of General Managers of the California Municipal Finance Authority.

**“Bonds”** means bonds or other indebtedness issued in one or more series by the Authority that are to be repaid with Special Taxes levied in an Improvement Area.

**“Code”** means the Government Code of the State of California.

**“CFD”** shall have the meaning assigned to the term in Recital A.

**“Developer”** means BLC Tesoro LLC, a Delaware limited liability company, and its successors and assigns.

**“Developer Agreement”** means the Santa Clarita Valley Water Agency Master Agreement for Developer-Constructed Improvements between the Agency and Developer dated December 5, 2019, as it may be amended.

**“Development Documents”** means, as applicable, one or more of the following: (i) the Developer Agreement, or any other improvement agreement between the Developer and the Agency concerning an Acquisition Improvement; (ii) improvement plans submitted by the Developer to the Agency concerning an Acquisition Improvement; or (iii) any other agreement with the Agency or Agency condition of development concerning an Acquisition Improvement.

**“Disbursement Request Form”** means a requisition for payment of funds from an Acquisition and Project Fund for an Acquisition Improvement or an Eligible Portion thereof in substantially the form contained in Exhibit D.

**“Eligible Portion”** shall have the meaning ascribed to it in Section 5.6 below.

**“General Manager”** means the General Manager of the Agency or his/her designee or representative (which may include a third party person or entity providing services on behalf of the General Manager) who will be responsible for administering the acquisition of the Acquisition Improvements hereunder.

**“Improvement Area”** means, as the context requires, Improvement Area No. 1 or Improvement Area No. 2.

**“Improvement Area No. 1”** means Improvement Area No. 1 of the CFD.

**“Improvement Area No. 2”** means Improvement Area No. 2 of the CFD.



**“Installment Payment”** means an amount equal to ninety percent (90%) of the Acquisition Price of an Eligible Portion.

**“Project”** means the development of the property in the CFD or offsite improvements serving property in the CFD, including the design and construction of the Acquisition Improvements.

**“Special Taxes”** means annual special taxes, and prepayments thereof, authorized by the CFD to be levied by the Board of the Authority within any Improvement Area.

**“Title Documents”** means, for each Acquisition Improvement acquired hereunder, a grant deed or similar instrument necessary to transfer title to any real property or interests therein (including easements), or an irrevocable offer of dedication of such real property with interests therein necessary to the operation, maintenance, rehabilitation and improvement by the Agency of the Acquisition Improvement (including, if necessary, easements for ingress and egress) and a bill of sale or similar instrument evidencing transfer of title to the Acquisition Improvement (other than said real property interests) to the Agency, where applicable.

4. Purpose; Effective Date.

4.1. Purpose. The purpose of this Agreement is to provide financing for the Acquisition Improvements from the Available Amount for all Improvement Areas in the CFD.

4.2. Effective Date. The Effective Date of this Agreement shall be as set forth in the preamble above.

4.3. Acquisition Improvements. Notwithstanding anything to the contrary, the Acquisition Improvements are authorized to be financed by Bonds and Special Taxes from each and every Improvement Area, and may be located anywhere, regardless of the Improvement Area from which such Bonds and Special Taxes are derived.

5. CFD.

5.1. Establishment of CFD. Pursuant to the Agency Resolution, the Agency authorized the Authority to form the CFD, subject to certain conditions being met. Subsequently, Developer requested the Authority to provide financing of the Acquisition Improvements through the establishment and authorization of the CFD. The CFD has been established by the Authority, and through the successful landowner election held in conformance with the Act, the Board of the Authority is authorized to levy the Special Taxes and to issue the Bonds to finance the Acquisition Improvements. Developer, the Agency and the Authority agree to reasonably cooperate with one another in the completion of the financing through the issuance of the Bonds in one or more series for any Improvement Area.

5.2. Deposit and Use of Available Amount.

5.2.1. Acquisition and Project Fund Held by Authority

Prior to the issuance of the first series of Bonds for an Improvement Area, Special Taxes collected by the Authority (including from prepayments of Special Taxes) shall be deposited in the Acquisition and Project Fund established by the Authority for that Improvement Area and may be disbursed to pay the Acquisition Price of Acquisition Improvements or Eligible Portions thereof in accordance with this Agreement. All funds in the Acquisition and Project Fund shall be

considered a portion of the Available Amount, and upon the issuance of the first series of Bonds for such Improvement Area, the Acquisition and Project Fund shall be transferred to the Authority Trustee to be held in accordance with the Authority Trust Agreement.

#### 5.2.2. Acquisition and Project Fund Held by Trustee

Upon the issuance of the first series of Bonds for an Improvement Area, the Authority will cause the Authority Trustee to establish and maintain a separate Acquisition and Project Fund for the purpose of holding all funds derived from that Improvement Area for the financing of Acquisition Improvements. Separate subaccounts may be established for each issue of Bonds. All earnings on amounts in an Acquisition and Project Fund shall remain in such Acquisition and Project Fund for use as provided herein and pursuant to the applicable Authority Trust Agreement. Money in each and every Acquisition and Project Fund shall be available to respond to delivery of a Disbursement Request Form and to be paid to the Agency or its designee or the Developer or its designee to pay the Acquisition Price of the Acquisition Improvements or Eligible Portion thereof to the extent the Acquisition Price has not previously been paid from the Available Amount. Upon completion of all of the Acquisition Improvements and the payment of all costs thereof, any remaining funds in each Acquisition and Project Fund (less any amount determined by the Agency as necessary to reserve for claims against the account) (i) shall be applied to pay the costs of any additional Acquisition Improvements eligible for acquisition and, to the extent not so used, (ii) shall be applied by the Authority to call Bonds or to reduce Special Taxes as the Authority shall determine.

5.3. Letting and Administering Design Contracts. The Developer has awarded and administered, or will award and administer, engineering design contracts for the Acquisition Improvements. All eligible expenditures for design engineering and related costs in connection with the Acquisition Improvements shall be reimbursed upon a request for payment made pursuant to Section 5.6 hereof, as reviewed and approved by the Administrator.

Where a specific contract has been awarded for design or engineering work relating solely to an Acquisition Improvement or Acquisition Improvements, one hundred percent (100%) of the costs under the contract will be allocated to that Acquisition Improvement.

Where a specific contract has been awarded for design or engineering work relating to both an Acquisition Improvement and private improvements, the eligible percentage allocated to the Acquisition Improvement shall be determined by the Administrator, for review and approval by the General Manager in his/her sole discretion.

5.4. Letting and Administering Construction Contracts: Prevailing Wages. State law requires that all Acquisition Improvements for which an Actual Cost Certificate is submitted pursuant to this Agreement that were not completed prior to the formation of the CFD shall be constructed as if they were constructed under the direction and supervision, or under the authority, of the Agency. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof for any other Acquisition Improvements, Developer agrees to comply with the requirements set forth in Exhibit E, with respect to the bidding and contracting for the construction of the Acquisition Improvements being constructed by the Developer for which an Actual Cost Certificate is submitted pursuant to this Agreement, including, but not limited to, California Labor Code Sections 1720, *et seq.*, and 1771, *et seq.* (“**Labor Code Regulations**”). Developer agrees and acknowledges that the construction of such Acquisition Improvements is subject to the payment of prevailing wages and agrees to comply, and to cause its contractors and subcontractors to comply, with the requirements of the Labor Code Regulations. Further, Developer agrees to defend, indemnify and hold the Authority

and the Agency, their elected officials, officers, employees, and agents free and harmless from any and all claims, damages, suits or actions arising out of or incident to Developer's obligations under this section. Developer agrees to satisfy, to the extent applicable, its obligation of registering with the Department of Industrial Relations and furnishing electronic certified payroll records to the Labor Commissioner pursuant to Senate Bill 854 (2014). The Developer's indemnification obligation set forth in Section 6.1 of this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

5.5. Estimated Cost of Acquisition Improvements. The estimated cost of the Acquisition Improvements is shown in Exhibit B attached hereto. Notwithstanding such estimated costs, Developer and the Agency hereby acknowledge and agree that (a) the actual costs to complete the Acquisition Improvements may vary from this estimate, and (b) the Acquisition Price shall never exceed the Actual Cost of any Acquisition Improvement.

5.6. Construction and Sale of Acquisition Improvements. The Developer agrees to convey to the Agency each Acquisition Improvement to be constructed by Developer (including any rights-of-way or other easements necessary for the Acquisition Improvements, to the extent not already publicly owned), when the Acquisition Improvement is completed to the satisfaction of the Agency, in accordance with the terms of this Section 5.6.

(a) Plans and Specifications, Engineering and Environmental Review: The Developer shall employ, at its sole cost and expense, subject to potential reimbursement, a qualified professional engineering firm ("Developer Engineer") to plan, design and prepare plans and specification ("Plans and Specifications") for the Acquisition Improvements in full accordance with the Agency's design criteria and standards. The Plans and Specifications shall be subject to the Agency's approval, which shall not be unreasonably withheld. In the event the Agency disapproves the Plans and Specifications, the Developer shall cause the Developer Engineer to modify the Plans and Specifications in accordance with the reasons given for disapproval and shall resubmit the revised Plans and Specifications to the Agency for approval or disapproval. The foregoing procedure shall be continued until the Plans and Specifications have been approved by the Agency. The Agency agrees to process any Plans and Specifications for approval with such diligence and in such time as the Agency accords customers similarly situated. The cost and expense of the Agency's review (including but not limited to, agents, employees and independent contractors) shall be paid by the Developer to the Agency and such costs shall be eligible to be reimbursed from the Available Amount. The Plans and Specifications will conform to all applicable Federal, State and local governmental rules, ordinances, regulations and all applicable environmental laws.

A qualified engineering firm (the "Field Engineer") shall be employed by the Developer to provide all field engineering surveys determined to be necessary by the Agency inspection personnel. The Field Engineer shall promptly furnish to the Agency a complete set of grade sheets listing all locations, offsets, etc., in accordance with good engineering practices, and attendant data and reports resulting from the Field Engineer's engineering surveys and/or proposed facility design changes. The Agency shall have the right, but not the obligation, to review, evaluate and analyze whether such results comply with applicable specifications.

The cost of all surveying, compaction testing and report costs associated with such Acquisition Improvements furnished and constructed by any contractors shall be paid for by the Developer, and the costs of such work shall be eligible to be reimbursed from the Available Amount. The Agency shall not be responsible for conducting any environmental,

archaeological, biological, or cultural studies or any mitigation requirements related to the Acquisition Improvements to be constructed by the Developer that may be requested by appropriate Federal, State, and/or local agencies. The Developer shall, at its sole cost and expense, be responsible for compliance with all environmental laws and all requirements of the Federal Endangered Species Act and the California Endangered Species Act, arising out of or in connection with the planning, design, construction and installation of the Acquisition Improvements and for compliance with all conditions and mitigation measures of each consent or approval of a public agency which must be satisfied for the purpose of the planning, design, construction and installation of the Acquisition Improvements. The term "environmental laws" shall include, without limitation, the California Environmental Quality Act and all other applicable State and Federal environmental laws. Any such work shall be paid for and conducted by, or on behalf of, the Developer, and the costs of such work shall be eligible to be reimbursed from the Available Amount.

(b) Construction of Acquisition Improvements: Following receipt of the Agency's written approval of the Plans and Specifications, the Developer shall, or shall employ a licensed contractor or contractors to construct and complete the Acquisition Improvements at no cost or expense to the Agency and in accordance with the laws, rules and regulations of all governmental bodies and agencies having jurisdiction over the Acquisition Improvements. The Acquisition Improvements shall be installed in strict compliance with the Plans and Specifications. Any deviations from the approved Plans and Specifications must be approved by the Agency, in writing

The Developer shall, at its sole cost and expense, apply for and obtain all necessary consents, approvals, permits, authority and entitlements as shall be required for the design, construction and installation of the Acquisition Improvements, if any, from all appropriate governmental authorities. The Developer shall directly pay all costs associated with the construction of the Acquisition Improvements, including but not limited to, furnishing of materials, and the Developer shall keep the Agency free and harmless from all such costs.

The Developer shall, at its sole cost and expense, be required to furnish labor and material payment bonds and contract performance bonds in an amount equal to one hundred percent (100%) of the contract price for the Acquisition Improvements and naming the Developer, the Authority, the CFD, and the Agency, as obligees unto which the Developer, as principal, and the surety are bound, and issued by insurance or surety companies approved by the Agency. All such bonds shall be in a form approved by the Agency, and the labor and material payment bond shall comply with all requirements of payment bonds on public works of improvements, including but not limited to Civil Code section 9550, *et seq.*

Following commencement of construction of any Acquisition Improvement, and each 30 days thereafter, or such other dates as are mutually agreeable to the Administrator and Developer, Developer may submit to the Administrator an Actual Cost Certificate in the form attached hereto as Exhibit C for the portion or phase of Acquisition Improvements constructed (the "Eligible Portion"), which shall constitute a written request for payment of the Acquisition Price (as determined below) for the Eligible Portion, except that for any Acquisition Improvement having a total estimated finished cost of less than \$1,000,000, no portion of the cost thereof shall be an Eligible Portion (i.e., no periodic progress payments shall be made and acquisition shall only occur upon completion). The Actual Cost Certificate shall include such necessary information (including invoices, receipts, worksheets and other evidence of cost as required by the Administrator) in sufficient detail to allow the Administrator to verify the Acquisition Price of such Eligible Portion. Nothing contained herein shall be interpreted to constitute any approval

on the part of the Agency of an Eligible Portion of an Acquisition Improvement, nor create any obligation, duty, or otherwise, to inspect any Eligible Portion prior to substantial completion of the Acquisition Improvement as described below. The Agency shall have no liability whatsoever with respect to any payment made on any Eligible Portion. The Parties agree that the allowance for payment on Eligible Portions is provided exclusively for the benefit of the Developer, and shall not in any way impair or create any liability or obligation on the part of the Agency.

At the time of full completion of each Acquisition Improvement, the Developer shall deliver to the General Manager Title Documents required by the Agency for the transfer of the Acquisition Improvement where necessary, and record plans (if record plans are not available the Developer shall submit constructed quantities that are verified and stamped by a civil engineer licensed in the State of California). The Developer shall ensure that all monetary liens, including deeds of trust and mortgages are subordinated to the easements and reconveyed as to the fee title ownership. The Developer shall comply with such other reasonable requirements relating to the construction of the Acquisition Improvements which the Agency may require pursuant to the Development Documents by written notification delivered to the Developer at any time, either prior to the receipt of bids by the Developer for the construction of the Acquisition Improvements, or, to the extent required as a result of changes in applicable laws, during the progress of construction thereof.

The Developer shall guarantee all work on all Acquisition Improvements against defects in workmanship or materials for a period of two (2) years after Agency's acceptance of the Acquisition Improvements. Developer shall repair or remove and replace any and all such Acquisition Improvements or portions thereof, together with any other Acquisition Improvements or portions thereof which may be displaced in so doing, that is found to be defective in workmanship and/or materials within said two (2) year period, without expense whatsoever to Agency. In the event of a failure to comply with the above-mentioned conditions within fifteen (15) business days after being notified in writing, Agency shall be entitled to have the defects remedied and the Acquisition Improvements repaired or replaced at the expense of Developer. Developer agrees to pay all such expenses immediately on demand therefor by Agency. After Agency's acceptance of the Work, the faithful performance bond may be reduced to twenty percent (20%) of the performance bond amount for the two (2) year guarantee period and released at the end of the guarantee period, provided that Developer is not in default on any provision of this Agreement. Additionally, Developer shall provide the Agency with any manufacturer warranties that may be applicable to materials or equipment included in the Acquisition Improvement. This paragraph shall not limit the Agency's rights under this Agreement or with respect to latent defects, gross mistakes, or fraud, or with respect to any joint or several liability with any contractor of the Developer as described in the Developer Agreement. The Agency specifically reserves all rights related to defective work, including but not limited to claims pursuant to California Code of Civil Procedure Section 337.15.

After the acceptance of the Acquisition Improvements, all permits, plans and operating manuals relating thereto, shall become the sole property of the Agency, at no cost to the Agency, subject to any warranty work. On the acceptance of the Acquisition Improvements by the Agency, the Developer shall deliver to the Agency, at no cost to the Agency, all surveys and as-built drawings associated with the construction of the Acquisition Improvements.

Upon completion of the Acquisition Improvements and completion of the final inspection, testing and written assurance thereof by the Agency, the Developer shall execute and deliver a bill of sale in the form and content acceptable to the Agency. The bill of sale shall convey title of

the Acquisition Improvements to the Agency. The Acquisition Improvements shall be transferred to the Agency free of all liens and encumbrances. Nothing contained herein shall require the Agency to accept the Acquisition Improvements, if such facilities are substantially complete. The Agency shall only accept such Acquisition Improvements that are complete, including all punch list items that need to be completed and/or corrected.

(c) Inspection; Completion of Construction. Subject to any additional limitations and rights in the Developer Agreement, the Agency shall have the right to inspect, or cause to be inspected, the construction of the Acquisition Improvements constructed by the Developer. The Agency's personnel shall have access to the site of the work at all reasonable times for the purpose of accomplishing such inspection. Any inspection completed by the Agency shall be for the sole use and benefit of the Agency and neither Developer, nor any third party shall be entitled to rely thereon for any purpose. The Agency does not undertake or assume any responsibility for or owe a duty to inspect, review or supervise the creation of the Acquisition Improvements. Upon substantial completion of the construction of such Acquisition Improvements, the Developer shall notify the Agency's authorized representative in writing that the construction of such Acquisition Improvements has been substantially completed. The cost and expense of the Agency's inspection (including, but not limited to, agents, employees and independent contractors) shall be paid by Developer to the Agency.

Upon receiving such written notification from the Developer that construction of any of the Acquisition Improvements by the Developer has been completed and final inspection, testing and written assurance thereof has been completed, the Agency shall accept such Acquisition Improvements. Upon receiving such notification, the Developer shall forthwith file with the County Recorder of the County of Los Angeles a Notice of Completion pursuant to the provisions of Section 8182 of the Civil Code. The Developer shall furnish to the Water Agency's authorized representative a duplicate copy of each such Notice of Completion showing thereon the date of filing with the County Recorder. Prior to the acceptance of an Acquisition Improvement by the Agency, the Developer shall provide to the Agency authorized representative such evidence or proof as the Agency shall require that all persons, firms and corporations supplying work, labor, materials, supplies and equipment on behalf of the Developer for the construction of an Acquisition Improvement has been paid, and that there are no claims by or on behalf of any such person, firm or corporation.

Prior to the transfer of ownership of an Acquisition Improvement by the Developer to the Agency, the Developer shall be responsible for the maintenance thereof and shall maintain and transfer such Acquisition Improvement to the Agency in as good condition as the Acquisition Improvement was in at the time the Developer notified the Agency that construction of same had been substantially completed in accordance with the Plans and Specifications, excepting wear and tear determined to be reasonable and customary in the sole discretion of the Agency.

As a condition precedent to any acquisition by the Agency, the Developer shall be current in the payment of all due and payable general property taxes, and all Special Taxes of the CFD, on property owned by the Developer or under option to the Developer within the CFD.

(d) Determination of Acquisition Price/Agency Inspection. Provided the Developer has complied with the requirements of this Agreement, and approval and acceptance of the Acquisition Improvements, the Agency agrees to acquire the Acquisition Improvements from the Developer. Nothing contained herein shall require (a) the CFD or the Agency to pay, or the Authority to cause the CFD to pay, any amount for any Acquisition Improvements (nor shall the

Agency be required to request any such payment) or (b) the Agency to provide water service to property within the CFD except in accordance with the Development Documents.

Upon submittal of a complete (as reasonably determined by the Administrator) Actual Cost Certificate, the Administrator shall determine the Acquisition Price (or in the case of a reimbursement, the reimbursement amount, which hereinafter is included in the term “**Acquisition Price**”) to be paid for the acquisition from Developer of the Eligible Portion or Acquisition Improvement constructed by Developer during said prior period. The Acquisition Price for the Eligible Portion or Acquisition Improvement shall include the actual cost of construction (or payment) thereof as determined by the contract prices as set forth in contracts and purchase orders entered into by Developer with its contractors, and suppliers, in accordance with standards and procedures therefore as prescribed by the Administrator.

The Administrator shall have thirty (30) days from receipt of an Actual Cost Certificate to review and determine the Acquisition Price.

Further, Developer may submit an Actual Cost Certificate in advance of bond issuance, however no payment of the Acquisition Price shall be made prior to bond issuance unless funds are available from the collection of Special Taxes.

The Developer shall not submit more than one (1) Actual Cost Certificate per Acquisition Improvement every 30 days. Upon determination of the Acquisition Price, the Administrator shall promptly notify Developer in writing of such Acquisition Price. In the event that the Administrator, during such time period, finds that the supporting paperwork submitted by the Developer fails to demonstrate the required relationship between the subject Actual Cost and eligible work, the Administrator shall advise the Developer that the determination of the Actual Cost (or the ineligible portion thereof) has been disallowed and shall request further documentation from the Developer. Once the Developer delivers the further documentation, the Administrator shall have thirty (30) days to review the additional documentation. If the further documentation is still not adequate, the Administrator shall notify the Developer in writing within such thirty-day period and may revise the Actual Cost Certificate to delete any disallowed items and the determination shall be final and conclusive. If only a portion of the Actual Cost requires further documentation, the Administrator shall include the Actual Costs that do not require further documentation in the determination of the Acquisition Price.

Upon determination of the Acquisition Price, the Administrator shall prepare a Disbursement Request Form as shown in Exhibit D for review and approval by the General Manager. The General Manager shall finalize and approve the Disbursement Request Form within ten (10) business days after receipt from the Administrator.

5.7. Payment of Acquisition Price. Within ten (10) business days after receipt of a complete Disbursement Request Form, the Authority, through the Trustee, shall authorize payment for the Eligible Portion or Acquisition Improvement from the Available Amount the Acquisition Price then due to Developer. If the Payment Request indicates that Developer is withholding from its contractor a retention of a least ten percent (10%) of the contract price for the all or the portion of the constructed Acquisition Improvement, then the full amount of the approved Acquisition Price shall be authorized for payment to Developer; if the Payment Request does not indicate the withholding by Developer of such ten percent (10%) retention, then the amount to be paid to Developer shall be equal to the Acquisition Price, less a retention of ten percent (10%) of the contract price for the Eligible Portion or Acquisition Improvement. Upon completion of such Acquisition Improvement in its entirety, including all “Punch List” work,

and acceptance of the Acquisition Improvement by the Agency, the Authority, through the Trustee, shall authorize and shall pay from the Available Amount the balance of the Acquisition Price then due Developer for such Acquisition Improvement, including any 10% progress retention then paid by Developer or any 10% retentions previously retained by Authority with respect thereto.

Payments to Developer shall be payable solely from the Available Amount. The amount to be paid to Developer shall be a reimbursement for actual costs incurred as determined by the Administrator and the Agency in accordance with this Agreement and shall not exceed the Developer's cost thereof as reasonably determined by the Administrator in consultation with the Agency to be eligible under the Act to be part of the Acquisition Price of Acquisition Improvement. All portions of the Acquisition Improvement not acquired with the Available Amount shall nonetheless be constructed by the Developer, to the extent required by the Development Documents. In the event the Available Amount is insufficient to pay the eligible Acquisition Price, any shortfall shall be the responsibility of the Developer, however Developer may request that all or any portion of such shortfall be reimbursed from additional series of bonds for the District if and when such additional bonds are issued or additional Special Tax proceeds are available, and in such event the deferred amount will be eligible for reimbursement from proceeds of such future bonds or Special Tax proceeds, to the extent funds are available.

5.8. Disbursement Request Form. Upon a determination by the Administrator of the Acquisition Price of an Acquisition Improvement or an Installment Payment for an Eligible Portion as provided in Sections 5.6 – 5.7 hereof, the General Manager shall, within ten business days of receipt of an approved Disbursement Request Form from the Administrator, submit such Form to the Authority Trustee, and the Authority Trustee shall make payment directly to the Developer or its designee, as appropriate, of the amount pursuant to the applicable Authority Trust Agreement. The Authority, the Agency and the Developer acknowledge and agree that the Authority Trustee shall make payment strictly in accordance with the Disbursement Request Form and shall not be required to determine whether or not the Acquisition Improvement or Eligible Portion has been completed or what the Acquisition Price may be with respect to the Acquisition Improvement or Eligible Portion. The Authority Trustee shall be entitled to rely on the executed Disbursement Request Form on its face without any further duty of investigation. In the event that the Acquisition Price of an Acquisition Improvement or the Installment Payment for an Eligible Portion is in excess of the Available Amount, the Authority Trustee shall withdraw all funds remaining in the applicable Acquisition and Project Fund and shall transfer those amounts to the Developer or the Agency, as applicable, or its designee. The unpaid portion of the Acquisition Price shall be paid from funds that may subsequently be deposited in the same or another Acquisition and Project Fund from a subsequent issuance of Bonds, from prepayments of Special Taxes to be used for construction or acquisition of Acquisition Improvements, or from Special Tax revenues, if any of those occurs. Acquisition Improvements may be paid from the Authority Trust Agreement for each and every Improvement Area, provided that an Acquisition Improvement may be paid only once.

5.9. Limitation on Obligations. In no event shall the Authority be required to pay the Developer or its designee more than the Available Amount (available from time to time).

5.10. Audit. The Agency and the Authority shall have the right, during normal business hours and upon the giving of ten days' written notice to the Developer, to review all books and records of the Developer pertaining to costs and expenses incurred by the Developer



(for which the Developer seeks reimbursement pursuant to this Agreement) in constructing the Acquisition Improvements.

## 6. Indemnity and Insurance.

6.1. Indemnification. Developer agrees to indemnify, defend and hold the Agency and Authority, including elective and appointed boards, commissions, officers, agents, employees and consultants (each an “**Indemnified Party**” and collectively the “**Indemnified Parties**”), harmless from and against any and all claims, liabilities, losses, damages or injuries of any kind (collectively, “**Claims**”) arising out of Developer’s, or Developer’s contractors’, subcontractors’, agents’ or employees’, acts, omissions, or operations under this Agreement, including, but not limited to, the construction by the Developer of any Acquisition Improvement, whether such acts, omissions, or operations are by Developer or any of Developer’s contractors, subcontractors, agents or employees, except to the extent such Claims are caused by the sole negligence or willful misconduct of an Indemnified Party. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys’ fees, and related costs or expenses, and the reimbursement of Agency and Authority, its elected officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. Developer shall defend the Agency as required by California Civil Code Section 2778, and with counsel reasonably acceptable to the Agency and Authority. Developer shall have no right to seek reimbursement from Agency or Authority for the costs of defense.

The aforementioned indemnity shall apply regardless of whether or not Agency has approved plans and/or specifications for the Acquisition Improvements and regardless of whether any insurance, workers compensation, disability or other employee benefit acts or terms required under this Agreement are applicable to any Claims. This indemnification provision is in addition to, and not in place of, any other indemnification provided by Developer to Agency, including any indemnification provision set forth in the Developer Agreement. The Agency does not and shall not waive any of its rights under this indemnity provision because of its acceptance of the bonds or insurance required under the provisions of this Agreement. Developer’s obligations to indemnify the Agency and Authority shall survive the expiration or termination of this Agreement. Developer agrees to obtain executed indemnity agreements in favor of the Agency with provisions identical to those set forth here in this section from each and every construction contractor involved by, for, with or on behalf of Developer in the performance of this Agreement. In the event Developer fails to obtain such indemnity obligations from others as required here, Developer agrees to be fully responsible according to the terms of this section. Failure of Agency to monitor compliance with these requirements imposes no additional obligations on Agency and will in no way act as a waiver of any rights hereunder.

6.2. Insurance. The Developer shall deliver to the Agency a certificate of insurance evidencing coverage for “builder’s risk” covering all risks of direct physical loss, damage, or destruction to the Acquisition Improvements in the minimum amount of the dollar value of the Acquisition Improvements; evidence of employer liability insurance with limits of at least One Million Dollars (\$1,000,000.00) per occurrence or such other amount as may be required by law, evidence of general bodily injury and property damage insurance with limits of at least Two Million Dollars (\$2,000,000.00) per person/per occurrence, automobile bodily injury and property damage insurance with limits of at least One Million Dollars (\$1,000,000) per occurrence (including owned, non-owned and hired autos, and providing coverage for loading and unloading), and such other insurance as may be required in the Developer Agreement. Developer shall maintain, keep in force and pay all premiums required to maintain and keep in force all insurance at all times during which such work is in progress. The general liability

insurance to be obtained by the Developer shall name the Authority, the Agency, and the CFD, as additional insureds. The Developer shall further maintain and provide evidence of worker's compensation insurance coverage as provided by law. Developer shall additionally comply with all other limitations and requirements for insurance set forth in the Developer Agreement.

7. Breach of Agreement; Opportunity to Cure; Remedies.

7.1. Notice of Breach and Default. The occurrence of any of the following constitutes a breach and default of this Agreement:

(1) Developer refuses or fails to complete any Acquisition Improvement within the time set forth in the applicable Development Documents or abandons the construction of an Acquisition Improvement.

(2) Developer assigns the Agreement to an unaffiliated entity without the prior written consent of Agency.

(3) Developer is adjudged bankrupt or makes a general assignment for the benefit of creditors, or a receiver is appointed in the event of Developer's insolvency.

(4) Developer or Developer's contractors, subcontractors, agents or employees, fail to comply with any terms or conditions of this Agreement to which the Developer or Developer's contractors, subcontractors, agents, or employees are subject.

(5) Developer fails to perform any obligation under this Agreement. The Agency must serve written notice of breach and default upon Developer (and any surety that has provided bonds with respect to an Acquisition Improvement). Developer shall have 30 days to cure the breach and default described in the written notice of breach and default.

(6) Agency fails to perform any obligation under this Agreement. Developer must serve written notice of breach and default upon the Agency. The Agency shall have 30 days from receipt of such notice to cure the breach and default described in the written notice of breach and default.

7.2. Breach of Agreement; Performance by Agency. If the Agency gives Developer notice under Section 7.1 and Developer fails to cure the breach and default described in the written notice prior to the expiration of the applicable cure period, a "**Developer Event of Default**" shall be deemed to have occurred. In the event of the occurrence and continuation of a Developer Event of Default, the Agency may exercise the remedies described in Section 7.1 and in Section 7.3 below, including the right of the Agency to proceed to complete the Acquisition Improvement by contract or other method the Agency considers advisable, at the sole expense of Developer, however Agency is under no obligation, financial, performance or otherwise, to complete the Acquisition Improvement. Where funds are currently available from the collection of Special Taxes said funds shall be used first for completion of the Acquisition Improvements in the event that the Agency elects to complete the Acquisition Improvement. In the event of the occurrence and continuance of a Developer Event of Default, (i) Developer, immediately upon demand, shall pay the costs and charges related to the Acquisition Improvement and any subsequent repairs, provided, upon such payment, Developer shall be entitled to payment for the Acquisition Improvement from the Available Amount, (ii) Agency, without liability for doing so, may take possession of and utilize in completing the Acquisition Improvement and repairs, if any, such materials and other property belonging to Developer as

may be on or about the Property and necessary for completion of the Acquisition Improvement, and (iii) the Agency may draw upon any surety bonds required by the applicable Development Documents.

If the Developer gives the Agency notice under Section 7.1(6) and Agency fails to cure the breach and default described in the written notice prior to the expiration of the applicable cure period, a “**Agency Event of Default**” shall be deemed to have occurred.

7.3. Remedies. It is acknowledged by the parties that the Agency would not have entered into this Agreement if it were to be liable in damages under or with respect to this Agreement or the application thereof, other than for the payment to the Developer of any (i) moneys owing to the Developer hereunder, or (ii) moneys paid by the Developer pursuant to the provisions hereof which are misappropriated or improperly obtained, withheld or applied by the Agency.

In general, upon the occurrence and continuation of a Developer Event of Default or an Agency Event of Default, the applicable party may pursue any remedy at law or equity available for the breach of any provision of this Agreement, except that the Agency shall not be liable in damages to the Developer or to any assignee or transferee of the Developer other than for the payments to the Developer specified in the preceding paragraph. Subject to the foregoing, the Developer covenants not to sue for or claim any damages for any alleged breach of, or dispute which arises out of, this Agreement.

## 8. Miscellaneous.

8.1. Compliance with Laws. Developer shall fully comply with all federal, state, and local laws, ordinances, and regulations in the performance of this Agreement. Developer shall, at its own cost and expense, obtain all necessary permits and licenses for each Acquisition Improvement, give all necessary notices, pay all fees and taxes required by law and make any and all deposits legally required by those public utilities that will serve the development on the Project. Copies and/or proof of payment of said permits, licenses, notices, fee and tax payments and deposits shall be furnished to the General Manager upon request.

8.2. Cooperation. The Agency, the Authority and the Developer agree to cooperate with respect to the completion of the financing of the Acquisition Improvements by the Authority through the levy of the CFD Special Taxes and issuance of Bonds. The Agency, the Authority, and the Developer agree to meet in good faith to resolve any differences on future matters which are not specifically covered by this Agreement.

8.3. General Standard of Reasonableness. Any provision of this Agreement which requires the consent, approval or acceptance of either party hereto or any of their respective employees, officers or agents shall be deemed to require that the consent, approval or acceptance not be unreasonably withheld or delayed, unless the provision expressly incorporates a different standard. The foregoing provision shall not apply to provisions in the Agreement which provide for decisions to be in the sole discretion of the party making the decision.

8.4. Notices. Formal written notices, demands, correspondence and communications between Agency and Developer shall be sufficiently given if: (a) personally delivered; or (b) dispatched by next day delivery by a reputable carrier such as Federal Express to the offices of Agency and Developer indicated below, provided that a receipt for delivery is

provided; or (c) if dispatched by first class mail, postage prepaid, to the offices of Agency and Developer indicated below. Such written notices, demands, correspondence and communications may be sent in the same manner to such persons and addresses as either party may from time-to-time designate by next day delivery or by mail as provided in this section.

Agency: Santa Clarita Valley Water Agency  
24631 Avenue Rockefeller  
Valencia, CA 91355-3907  
Attn: General Manager

Authority: California Municipal Finance Authority  
2111 Palomar Airport Road, Suite 320  
Carlsbad, CA 92011  
Attn: Edward J. Becker

Administrator: Francisco & Associates, Inc.  
Attn: Ed Espinoza  
5927 Balfour Court, Suite 109  
Carlsbad, CA 92008

Developer: BLC Tesoro LLC  
100 Bayview Circle, Suite 240  
Newport Beach, CA 92660  
Attn: John Patterson

With a copy to: O'Neil LLP  
19900 MacArthur Blvd., Suite 1050  
Irvine, CA 92612  
Attn: John P. Yeager

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served two (2) business days after the date of deposit if addressed to an address within the State of California, and three (3) business days if addressed to an address within the United States but outside the State of California.

8.5. Attorney Fees. Should any legal action or arbitration be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party shall be entitled to all costs of suit; reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator.

8.6. Entire Agreement. The terms and conditions of this Agreement constitute the entire agreement among Authority, Agency, and Developer with respect to the matters addressed in this Agreement. This Agreement may not be altered, amended or modified without the written consent of all parties hereto.

8.7. Conflict with Other Agreements. Nothing contained herein shall be construed as releasing the Developer from any condition of development or requirement imposed by any other agreement between the Agency and the Developer or any Member of Developer.

8.8. Several Obligations. The Developer, by executing this Agreement in the space provided below, agrees that it shall be severally responsible for all obligations of the Developer under Sections 5.4 and 6.1 hereof to the extent of the percentages set forth adjacent to their respective signatures.

8.9. Assignment. The obligations and rights of the parties to this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but, those rights and obligations shall not be assignable, transferable or delegable, without the written consent of the other parties hereto, such consent to not be unreasonably withheld, and any attempted assignment, transfer or delegation thereof which is not made pursuant to the terms hereof shall be void. Any assignment shall be contingent on Developer providing a written assignment and assumption agreement to Agency and Authority immediately upon such assignment.

8.10. Time is of the Essence. Time is of the essence of this Agreement and of each and every term and condition hereof.

8.11. Severability. If any provision of this Agreement is held, to any extent, invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provision, and shall remain in full force and effect.

8.12. Waiver or Modification. Any waiver or modification of the provisions of this Agreement must be in writing and signed by the authorized representative(s) of each party. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of the party's right to insist upon and demand strict compliance by the other party with the terms of this Agreement.

8.13. Relationship of the Parties. Neither Developer nor the Authority nor either's contractors, subcontractors, agents, officers, or employees are agents, partners, joint ventures or employees of Agency and the Developer's relationship to the Agency, if any, arising herefrom is strictly that of an independent contractor. Developer's contractors and subcontractors are exclusively and solely under the control and dominion of Developer. Further, there are no intended third-party beneficiaries of any right or obligation assumed by the parties.

8.14. Binding upon Heirs, Successors and Assigns. The terms, covenants and conditions of this Agreement shall be binding upon all heirs, successors and permitted assigns of the parties hereto; provided, however, that this Agreement shall not be binding upon a purchaser or transferee of any portion of the Property unless this Agreement has been assigned and assumed pursuant to Section 8.9, in which event this Agreement shall remain binding upon purchaser or transferee.

8.15. Governing Law; Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Agreement shall be brought only in the Superior Court of the County of Los Angeles, State of California.

8.16. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

8.17. Interpretation. This Agreement shall be construed according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall apply to the interpretation of this Agreement.

8.18. Headings. Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions contained in this Agreement.

8.19. Authority. Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.

8.20. Singular and Plural; Gender. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine

8.21. Sole Agreement. This Agreement, including all exhibits hereto, constitutes the sole agreement of the parties and supersedes all oral negotiations and prior writings with respect to the subject matter hereof. This Agreement is intended to be consistent with the Developer Agreement, and the rights and obligations created herein are in addition to those created in the Developer Agreement. In the event of a conflict, it is the express intent of the Parties that the terms in this Agreement shall govern.

[Signature Page Follows]

IN WITNESS WHEREOF, Agency, Authority, and Developer have executed this Agreement as of the Effective Date.

“AGENCY”

SANTA CLARITA VALLEY WATER  
AGENCY, a public agency

By: \_\_\_\_\_  
[title]

ATTEST:

\_\_\_\_\_  
[Title]

“DEVELOPER”

BLC TESORO LLC, a Delaware limited  
liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

“AUTHORITY”

CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY, a joint powers authority

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Authorized Signatory

**EXHIBIT A**  
**MAP OF THE CFD BOUNDARY**



**EXHIBIT B**

**DESCRIPTION OF ACQUISITION IMPROVEMENTS AND ESTIMATED COSTS**

Unless specifically excluded in the Agreement, the list of eligible facilities and costs consist of the following:

<b>I. Acquisition Improvements<sup>1</sup></b>	<b>Estimated Cost</b>
(2) Steel 1.2 Million Gallon Reservoirs	\$ 4,290,000
Pump Station with (2) 1000 GPM Pumps	\$ 2,420,000
Domestic Water, Backbone Avenida Rancho Tesoro	\$ 3,740,000
Domestic Water, Intracts	<u>\$ 7,040,000</u>
<b>TOTAL</b>	<b>\$ 17,490,000</b>

<sup>1</sup> The description of each Acquisition Improvement is general in nature. The scope and final description of each Acquisition Improvement shall be based upon the plans for it approved by the Agency, as necessary to serve the development within the CFD.

**II. Administrative and Incidental Expenses**

In addition to the above facilities, other incidental expenses that may be financed by the CFD include but are not limited to the following: the cost of planning, permitting, approving and designing the authorized facilities (including the cost of environmental evaluation, orthophotography, environmental remediation/mitigation); land acquisition and easement payments for authorized facilities; project management, construction staking; engineering studies and preparation engineer's reports (if required); utility relocation and demolition costs incidental to the construction of the public facilities; and any other expenses incidental to the construction, completion, and inspection of the facilities and related expenses associated with any of the foregoing.

In addition, the CFD shall fund the direct and indirect expenses incurred by the Agency in carrying out its duties with respect to the CFD including reimbursement of costs related to the formation of the CFD as well as reimbursement of any costs advanced by the Agency.

## EXHIBIT C

### ACTUAL COST CERTIFICATE

Pursuant to the Acquisition Agreement, dated as of \_\_\_\_\_, 2021 (the "Acquisition Agreement"), by and between the \_\_\_\_\_ a \_\_\_\_\_ (the "Developer"), the California Municipal Finance Authority ("Authority"), and the Santa Clarita Valley Water Agency ("Agency"), the Developer hereby requests (a) payment of the Acquisition Price of the Acquisition Improvements or Eligible Portion thereof, described in Attachment 1 hereto. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Acquisition Agreement.

In connection with this Actual Cost Certificate the undersigned hereby represents and warrants to the County as follows:

1. The undersigned is an authorized representative of the Developer, qualified to execute this certificate on behalf of the Developer and knowledgeable as to the matters set forth herein.

2. The Developer has submitted or submits herewith to the General Manager and the Administrator Record Drawings or in the case of an Eligible Portion, commits to submit Record Drawings at the completion of construction and acceptance by the Agency of the Acquisition Improvements, for each of the Acquisition Improvements described in Attachment 1, and such drawings, as applicable, are true, correct and complete representations of the Acquisition Improvements listed in Attachment 1.

3. Each of the Acquisition Improvements or Eligible Portion thereof described in Attachment 1 has been constructed in accordance with the approved improvement plans (the "Plans"), and in accordance with all applicable Agency standards and the requirements of the Acquisition Agreement, and the Plans, and none of the Acquisition Improvements described in Attachment 1 or Eligible Portion thereof has been the subject of any prior Payment Request.

4. The true and correct Actual Cost of each of the Authorized Facilities and/or Eligible Portion is set forth in Attachment 1 hereto.

5. The Developer has submitted or submits herewith to the Administrator a copy of each construction contract for each of the Acquisition Improvements described in Attachment 1, a copy of the bid notice for each such contract, a copy of each change order applicable to each such contract, all change orders having been approved by the General Manager, or his designee, and construction quantities certified by the engineer of record.

6. The Developer has submitted or submits herewith to the Administrator invoices, receipts, worksheets and other evidence of costs for each of the Acquisition Improvements described in Attachment 1 or Eligible Portion thereof, which are in sufficient detail to allow the Administrator to verify the Actual Cost of such Acquisition Improvements or Eligible Portion thereof.

7. The Developer has submitted or submits herewith to the Administrator evidence that each of the invoices, receipts, worksheets and other evidence of costs referred to in the

preceding paragraph, has been paid in full, which evidence is in the form of copies of cancelled checks or such other form as the Administrator has approved in writing.

8. There has not been filed with or served upon the Developer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive, the payment of the Acquisition Price for each of the Acquisition Improvement described in Attachment 1 or Eligible Portion thereof which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by operation of law.

9. The Developer has submitted or submits herewith to the Administrator copies of unconditional or conditional (providing for release upon payment) lien releases from the General Contractor for all work with respect to each Eligible Portion of the Acquisition Improvements described in Attachment 1. In the case of a Payment Request for a completed Acquisition Improvement including the release of prior held retention for Eligible Portions thereof, the Developer submits herewith to the Administrator copies of unconditional or conditional (providing for release upon payment) lien releases from all contractors, subcontractors and materialmen in addition to a recorded Notice of Completion for said Acquisition Improvement,

10. The representations and warranties of the Developer set forth in the Acquisition Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

11. The Developer represents that it has satisfied the conditions specified in the Acquisition Agreement for the payment of the Acquisition Price.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

\_\_\_\_\_  
a \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT 1**

<b>Acquisition Improvement (or Eligible Portion thereof)</b>	<b>Actual Cost</b>
<i>[Insert detailed description of Acquisition Improvement to be acquired]</i>	
<b>Total</b>	

**EXHIBIT D**

**DISBURSEMENT REQUEST FORM**

To: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_

Re: CMFA CFD No. \_\_\_\_\_ (\_\_\_\_\_)

The undersigned, a duly authorized officer of the SANTA CLARITA VALLEY WATER AGENCY (the “Agency”) hereby requests a withdrawal from the CFD Acquisition and Project Fund for Improvement Area No. \_\_, as follows:

Request Date: [Insert Date of Request]  
Name of Developer: \_\_\_\_\_  
Withdrawal Amount: [Insert Acquisition Price/Installment Payment]  
Acquisition Improvements : [Insert Description of Acquisition Improvement(s)/Eligible Portion(s)]  
Payment Instructions: [Insert Wire Instructions or Payment Address for Developer or Developer’s designee as provided by the Developer]

The undersigned hereby certifies as follows:

The Withdrawal is being made in accordance with a permitted use of the monies pursuant to the Acquisition Agreement and the Withdrawal is not being made for the purpose of reinvestment.

None of the items for which payment is requested have been reimbursed previously from this or any other Acquisition and Project Fund.

If the Withdrawal Amount is greater than the funds held in the Acquisition and Project Fund, the Authority Trustee is authorized to pay the amount of such funds and to pay remaining amount(s) as funds are subsequently deposited in the Acquisition and Project Fund, should that occur.

The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the “Acquisition Improvements”). The Agency will own, and for the entire useful life of such Acquisition Improvements reasonably expects to own, all such Acquisition Improvements, except those facilities identified in Government Code Section 53313.5(e). To the extent any of such Acquisition Improvements are

sold to an entity that is not a state or local government agency, the Agency will seek the advice and approval of bond counsel to the Authority prior to any such sale. The Agency will not allow any of such Acquisition Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public) except as permitted pursuant to Government Code Section 53313.5(e). All such Acquisition Improvements will be used in the performance of essential governmental functions of the Agency or another state or local government agency. The average expected useful life of such Acquisition Improvements is at least 20 years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Acquisition Improvements is excluded from gross income for federal income tax purpose under Section 1.03 of the Internal Revenue Code of 1986 (the "Code").

SANTA CLARITA VALLEY WATER AGENCY

By: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT E

### BIDDING, CONTRACTING AND CONSTRUCTION REQUIREMENTS FOR ACQUISITION IMPROVEMENTS

When the estimated cost to construct any Acquisition Improvement will exceed thirty thousand dollars (\$30,000), Developer shall let the contract to the lowest responsible bidder after advertising for bids by three insertions in a daily newspaper of general circulation published in the Santa Clarita Valley area or by two insertions in a nondaily newspaper of general circulation published in the Santa Clarita Valley area. In the event no responsive proposals are received, Developer shall solicit bids from qualified contractors. Developer shall advertise for bids for any materials and supplies to be used in work for Acquisition Improvements that exceed \$30,000 and award such material and supply contracts to the lowest responsible bidder. Developer does not have to advertise for bids for work, or materials or supplies, if the cost of the Acquisition Improvement does not exceed thirty thousand dollars (\$30,000).

No contractor or subcontractor may be listed on a bid proposal for the public Acquisition Improvements unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. No contractor or subcontractor may work on the public Acquisition Improvements unless registered with the Department of Industrial Relations pursuant to Labor Code Section 1725.5. Developer shall be responsible for ensuring that these contractor registration requirements are adhered to since construction of the public Acquisition Improvements is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

An authorized representative of the Agency and the Administrator shall be provided a copy of the tabulation of bid results upon request.

Contract(s) for the construction of the public Acquisition Improvements shall be awarded to the qualified contractor(s) submitting the lowest responsible bid(s), as determined by the Developer. Developer shall not award a contract to a contractor that is in conflict of interest with the Developer or the Agency pursuant to Government Code Section 1090.

The contractor to whom a contract is awarded shall be required to pay not less than the prevailing rates of wages pursuant to the Labor Code Regulations, including Labor Code Sections 1770, 1773 and 1773.1. A current copy of applicable wage rates shall be on file in the Office of the Clerk of the Agency, as required by Labor Code Section 1773.2.

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## DEPOSIT AND REIMBURSEMENT AGREEMENT

THIS DEPOSIT AND REIMBURSEMENT AGREEMENT (this “**Agreement**”) is made and entered into effective as of August 1, 2021 (“**Effective Date**”) by and between BLC Tesoro LLC, a Delaware limited liability company (the “**Developer**”), and the Santa Clarita Valley Water Agency (“**SCVWA**”).

### RECITALS

A. The Developer has submitted or will submit an application to the California Municipal Finance Authority (the “**Authority**”) to initiate and conduct proceedings for establishment of a community facilities district, pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), related to the Developer’s development (such community facilities district, the “**CFD**”), and to issue and sell special tax bonds of the Authority, acting on behalf of the CFD, in one or more series over time (the “**Bonds**”) pursuant to the Act and upon the security of the unpaid special tax revenues derived from the levy of the landowner-voter-approved special tax levied upon the taxable property in the CFD, which is to be levied to finance the cost and expense of acquiring, constructing and installing certain public capital improvements of SCVWA (the “**Authorized SCVWA Improvements**”).

B. In the event the Authority is able to accomplish sale and delivery of Bonds on terms and conditions satisfactory to the Authority, the Authority intends to utilize the proceeds of sale thereof to (1) reimburse the Developer for any deposit made pursuant to this Agreement and (2) finance the acquisition, construction and installation of the Authorized SCVWA Improvements, including certain authorized incidental expenses of the CFD together with the costs of issuance of the Bonds.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. The Deposit. The Developer hereby agrees to provide, or cause to be provided, to SCVWA an initial deposit of \$70,000 (the “**Initial Deposit**”), to be used by SCVWA toward the payment of costs of SCVWA incurred in reviewing and processing the documents and approvals required in order for the Authority to initiate the proceedings to establish the CFD and to allow the CFD and Developer to finance the Authorized SCVWA Improvements (the “**Initial Costs**”). The Initial Deposit, together with any subsequent deposits made pursuant to this Agreement are collectively referred to as the “**Deposit**”. SCVWA shall at all times maintain records as to the expenditures of the Deposit. The Deposit shall be disbursed as set forth below.

The Deposit may be sent via check or wire as follows:

Address for Deposit by Check:  
Santa Clarita Valley Water Agency

27234 Bouquet Canyon Road  
Santa Clarita, CA 91350-2173  
ATTN: Chief Financial and Administrative Officer

Wire Instructions:

Account Name: Santa Clarita Valley Water Agency  
Account Number: 4221468572  
Bank: Wells Fargo Bank, N.A.  
From USA:  
ABA Number: 121000248

Section 2. Use of Deposit. The Deposit shall be used by SCVWA only as follows:

(a) Initial Costs. The Authority may draw upon the Deposit to pay for the Initial Costs, which include, but are not limited to, reimbursement for the time and expenses of SCVWA staff and related costs, as well as the fees and expenses of any consultants to SCVWA (such as engineering and legal) with whom the Initial Costs are incurred.

(b) CFD Formed; Bonds Issued. If the CFD is formed and Bonds are issued under the Act, SCVWA hereby agrees the Authority may promptly reimburse the Developer, without interest, all amounts charged against the Deposit, such reimbursement to be made solely from the proceeds of such Bonds and only to the extent otherwise permitted under the Act. As soon as practicable after SCVWA's completion of its review and processing of the documents and approvals described in Section 1 above, SCVWA shall return to the Developer the then-unexpended Deposit, if any, without interest.

Section 3. Additional Deposit. If the Initial Deposit falls below \$10,000, SCVWA shall notify Developer either by telephone or in writing prior to incurring any additional costs. Upon Developer's acknowledgment of such notice, SCVWA shall make written demand upon Developer for an additional deposit, which shall be made in the amount of \$25,000 and shall be paid within 15 days of written request by SCVWA. Any additional deposit so paid shall be reimbursed to the Developer, without interest, from proceeds of Bonds or special taxes levied for the CFD.

Section 4. No Debt or Liability of SCVWA. This Agreement is not a debt or liability of SCVWA. SCVWA shall in no event be liable hereunder other than for the return of the unexpended and uncommitted portions of the Deposit as provided in Section 2 above. SCVWA shall not be obligated to advance any of its own funds with respect to the matters described herein or for any of the other purposes listed in Section 1 hereof. No member of the Board or officer, employee or agent of SCVWA shall in any event be personally liable hereunder.

Section 5. Amendment and Assignment. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. In the event the Developer shall assign its rights to receive reimbursement, the Developer agrees to provide SCVWA with such assurances as SCVWA may reasonably require from the assignee of the Developer as to the rights of reimbursement and SCVWA reserves the right to make any

reimbursements payable jointly to such persons as SCVWA may reasonably expect to be paid. This Agreement may be assigned, in whole or in part, by the Developer to the purchaser of any parcel of land within the Property provided, however, such assignment shall not be effective unless and until SCVWA has been notified, in writing, of such assignment.

Section 6. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

Section 7. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California, registered or certified, postage prepaid, addressed as follows:

SCVWA: Santa Clarita Valley Water Agency  
24631 Avenue Rockefeller  
Valencia, California 91355-3907  
Attn: General Manager

Developer: BLC Tesoro LLC  
100 Bayview Circle, Suite 240  
Newport Beach, CA 92660  
Attn: John Patterson

Each party may change its address for delivery of notice by delivering written notice of such change of address to the other party hereto.

Section 8. Attorneys' Fees. In the event of the bringing of any action or suit by any party against any other party arising out of this Agreement, the party in whose favor final judgment shall be entered shall be entitled to recover from the losing party all costs and expenses of suit, including reasonable attorneys' fees.

Section 9. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 10. Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State of California.

Section 11. Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party hereto, or the failure by a party to exercise its rights upon the default of another party, shall not constitute a waiver of such party's right to insist and demand strict compliance by such other party with the terms of this Agreement thereafter.

Section 12. No Third-Party Beneficiaries. No person or entity shall be deemed to be a third-party beneficiary hereof, and nothing in this Agreement (either express or implied) is intended to confer upon any person or entity, other than SCVWA and Developer (and their

respective successors and assigns, exclusive of individual homebuyers), any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 13. Effective. This Agreement shall be effective upon the execution of the Developer and no separate execution of the Agreement shall be required by SCVWA and/or Developer.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute but one instrument. To facilitate execution of this Agreement, the parties may execute and exchange by facsimile or electronic mail counterparts of the signature pages, which facsimile or electronic mail counterparts shall be binding as original signature pages.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the day and year written above.

SANTA CLARITA VALLEY WATER AGENCY,  
a public agency

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

BLC TESORO LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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# Community Facilities District Financing

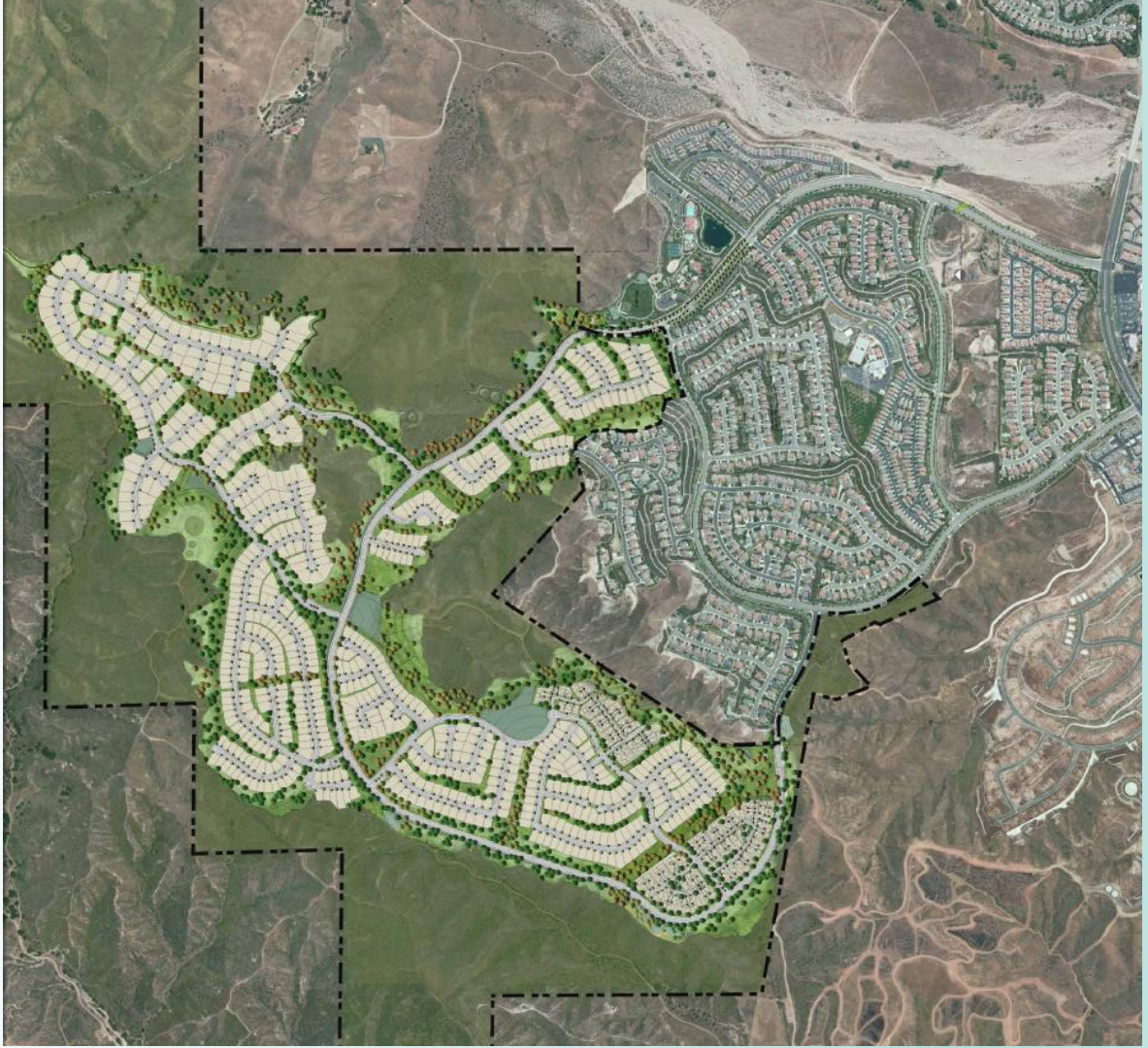
Presentation to SCV Water Finance and Administrative Committee  
August 16, 2021

## **PROJECT DESCRIPTION**

- The Highlands at Tesoro del Valle is the final phase of the existing Tesoro del Valle community constructed from 2000 to 2006
- The Highlands at Tesoro del Valle Project (“Project”) allows for the development of 820 total residential units (455 market rate units and 365 age qualified units)
- The Project includes 1,275 acres, with over 1,000 acres of open space and recreation uses
- Newport Pacific Land (“Developer”) has received the required entitlements to allow for development and has commenced grading the site for merchant homebuilders.
- The first occupancy in the Project is anticipated in Fall 2022.



# SITE PLAN



# CFD REQUEST

- Last year, SCV Water joined the California Municipal Finance Authority (“CMFA”), allowing a Joint Community Facilities Agreement (“JCFA”) with CMFA related to the formation of a new CFD.
- CMFA will form the CFD under their program, “Bond Opportunities for Land Development” (“BOLD”); the benefit is that CMFA handles all matters related to the CFD such as the issuance of bonds and annual administration of the CFD.
- The JCFA will allow SCV Water to retain control of the construction, inspection, and approval of the water facilities and eliminate any ongoing financial and administrative responsibility typical of a CFD.
- The Developer will also enter into JCFA’s with the City and County to fund flood control and transportation facilities and sewer facilities.
- The JCFA between the Developer and SCV Water provides for new water facilities to benefit existing and new SCV Water customers within the Project and the surrounding areas.
- The Developer is not asking for the funding of SCV Water fees.

## CFD / REQUEST (CONTINUED)

- Before you tonight is a Deposit and Reimbursement Agreement as well as a draft Acquisition and Funding Agreement.
- The Deposit and Reimbursement Agreement requires Developer to fund \$70,000 to off-set SCV Water costs associated with the BOLD program and CFD related expenses, with additional deposits in the amount of \$25,000 in the event the initial deposit dips below \$10,000.
- The draft Acquisition and Funding Agreement, which also serves as the JCFA, provides for the financing of SCV Water infrastructure costs with an estimated cost of \$17.5 million. The Developer, not SCV Water, will construct the improvements, and the CFD will fund the costs.
- The Developer requests that Finance Committee recommend approval of the draft Acquisition and Funding Agreement and forward the agreements to the SCV Water Board of Directors for approval at the September 7, 2021, meeting.

# NEW SCV WATER FACILITIES

- The total cost for SCV Water improvements are approximately \$17.5 million (table below).
- These water improvement projects will benefit existing and new rate payers by creating additional water storage and distribution facilities (which would improve service pressures, energy efficiency, and flexibility for system maintenance).
- Two new tanks will provide a regional benefit to the entire SCV Water service area as well as a new helipad for LA County Fire Department access with regional firefighting benefit.
- The new water distribution system will provide redundancy to surrounding community.

SCVWA Improvement Projects	Estimated Cost
Two Steel 1.2 Million Gallon Reservoirs	\$4,290,000
Pump Station - Two 1,000 GPM Pumps	\$2,420,000
Domestic Water - Backbone Avenida Rancho Tesoro	\$3,740,000
Domestic Water - Planning Areas	\$7,040,000
<b>Total Water Facilities</b>	<b>\$17,490,000</b>



# PRELIMINARY CFD ANALYSIS

Project and Property Tax Assumptions		Traditional SFD Unit	Estate SFD Unit	Age- Qualified Unit	Total / Weighted Average
Unit Mix		318	137	365	820
Weighted Average Home Size (SqFt)		3,113	4,647	2,055	2,898
Weighted Average Home Price		\$1,095,349	\$1,671,639	\$884,333	\$1,097,704
Ad Valorem Property Taxes					
General (1.000000%)		\$10,953	\$16,716	\$8,843	\$10,977
Elementary School (0.057021%)		\$625	\$953	\$504	\$626
High School (0.054642%)		\$599	\$913	\$483	\$600
Community College (0.040546%)		\$444	\$678	\$359	\$445
Water (0.070600%)		\$773	\$1,180	\$624	\$775
Combined Fixed Charges		\$1,005	\$1,098	\$890	\$969
Proposed CFD Special Tax		\$5,635	\$9,386	\$0	\$3,754
Total Annual Property Taxes		\$20,035	\$30,925	\$11,703	\$18,146
<b>Total Effective Property Tax Rate</b>		<b>1.83%</b>	<b>1.85%</b>	<b>1.32%</b>	<b>1.65%</b>

# PRELIMINARY CFD ANALYSIS (CONTINUED)

<b>Bond Assumptions and Estimated Bond Proceeds</b>		<b>Amount</b>
Number of Bond Issuances		2
Total Annual CFD Tax Collections		\$3,077,971
Average Bond Yield		3.50%
Gross Bond Proceeds		\$49,860,000
Underwriter's Discount		(\$747,900)
Reserve Fund		(\$2,706,908)
Capitalized Interest		(\$810,521)
Issuance Costs		(\$700,000)
<b>Net Construction Proceeds*</b>		<b>\$44,894,671</b>

\* \$17.5 million is expected to be allocated to the SCV Water facilities and the balance to City and County facilities.

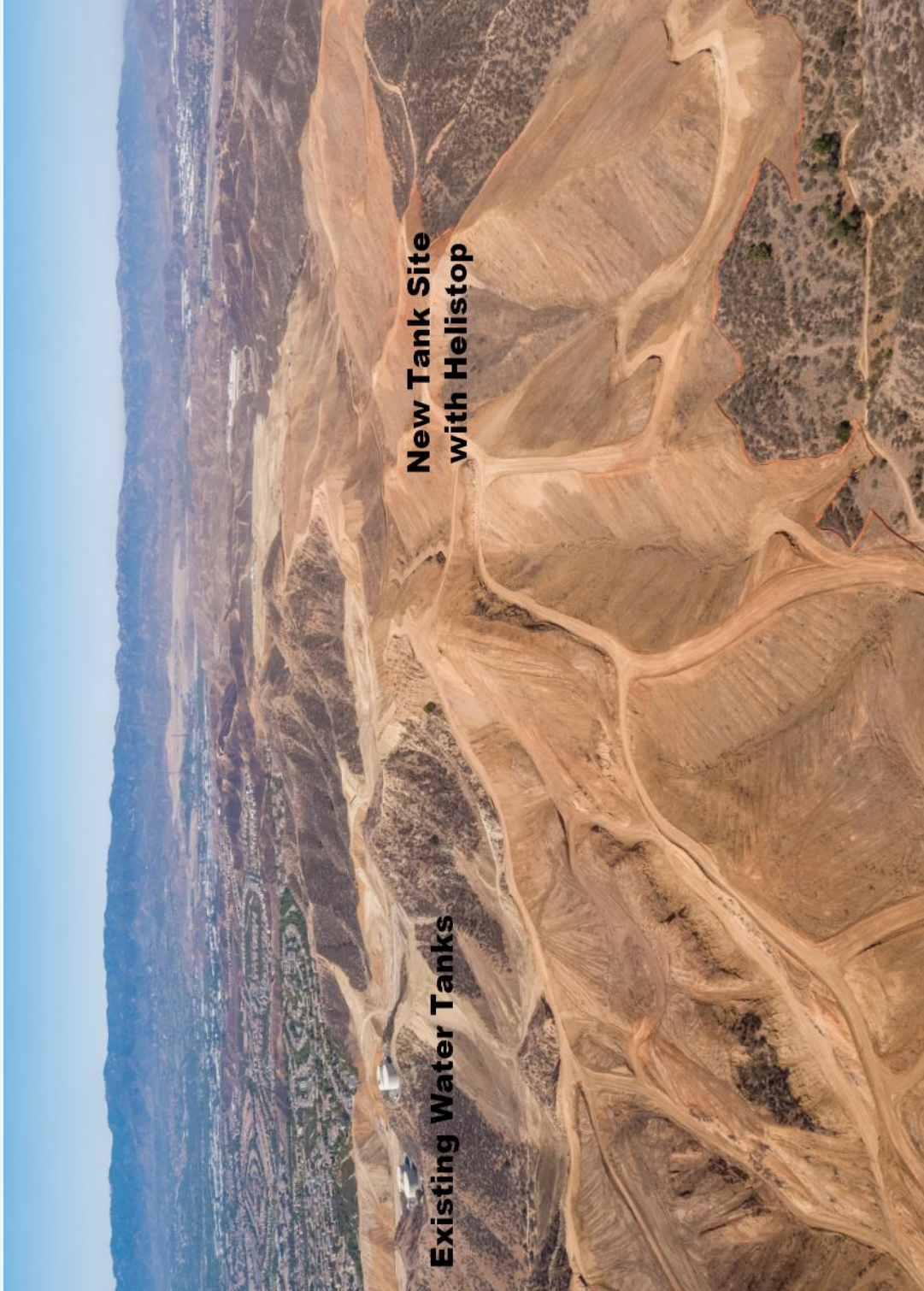
## IMPACT TO HOMEBUYER

- The effective tax rate for the Project ranges from 1.32% to 1.85% of a home's assessed value which is well below the 2% policy limit. The weighted average tax rate is 1.65%.

## BENEFITS TO SCV WATER

- Finances \$17.5 million of water facilities including two water tanks, pump station and pipeline system.
- New water tanks will increase storage capacity by 2.4 million gallons.
- New pump station will increase reliability of water service to new and existing customers.
- New pipeline system will provide looped distribution capability to new and existing customers.
- Existing water tanks and water tank sites will be transferred to the SCVWA at no cost
- Existing water tanks will be connected to permanent electrical power.
- A new Fire Department helistop will be located next to the new water tanks to increase firefighting capability.

# WATER TANK SITES

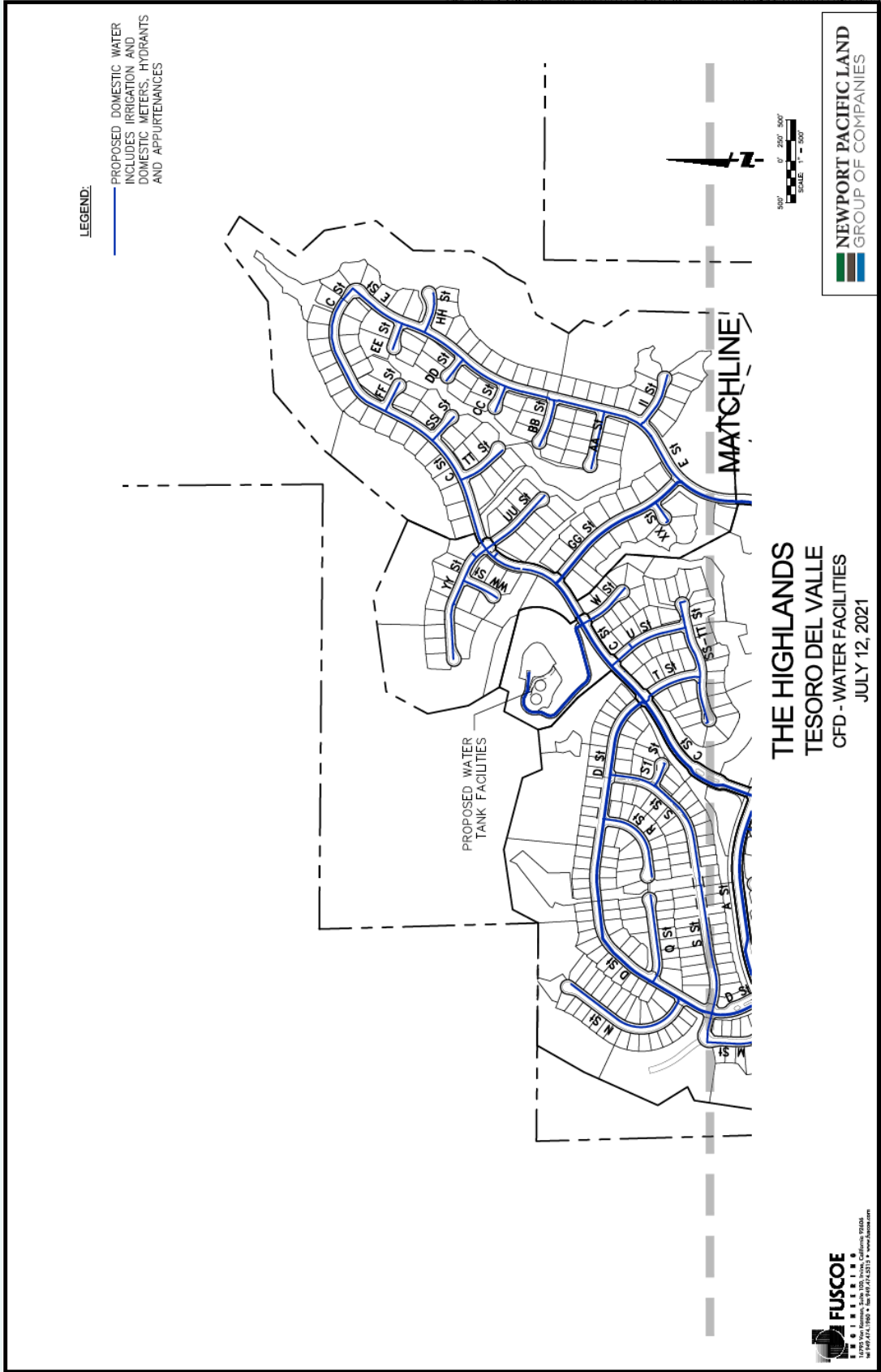


**New Tank Site  
with Helistop**

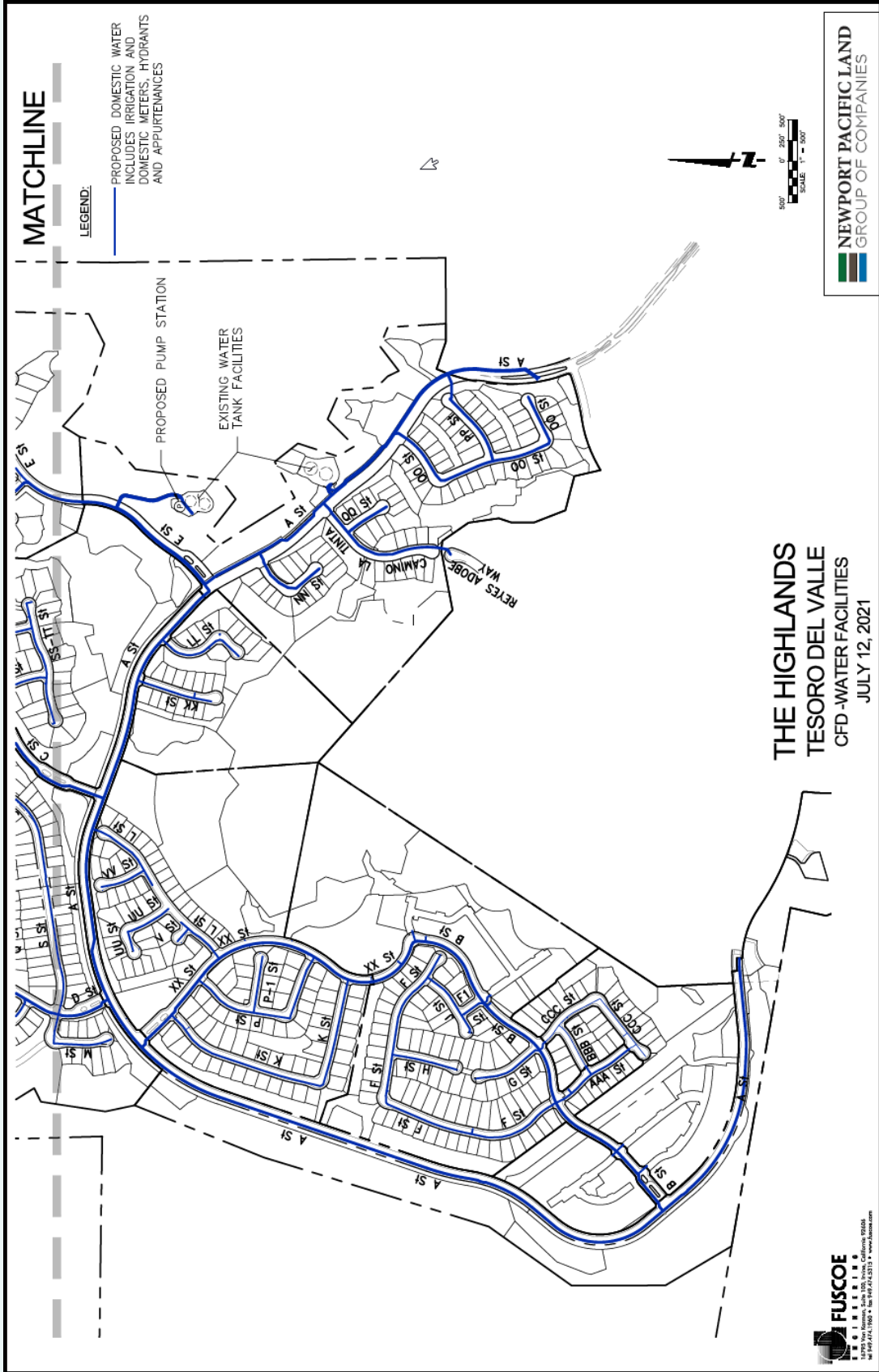
**Existing Water Tanks**



# WATER FACILITIES



# WATER FACILITIES



**THE HIGHLANDS**  
**TESORO DEL VALLE**  
 CFD-WATER FACILITIES  
 JULY 12, 2021



*The Highlands*  
 TESORO DEL VALLE

# PROPOSED CFD HIGHLIGHTS / FAQs

## Benefits of a CMFA CFD

- Provides accelerated funding for public improvements without SCV Water assuming any financial or administrative burden.
- Existing rate payers do not pay cost of improvements; future homeowners in the project mitigate the impact of the Project.

## SCV Water Fiscal Impacts and Exposure

- No financial risk to SCV Water;
- Zero cost to SCV Water;
- No impact to existing homeowners with SCV Water service who do not live in Project.

## Tax Bill Questions

- SCV Water is not listed on the property tax bill. CMFA is on the tax bill. CMFA and the administrator's phone number will be listed for taxpayers to call if they have any questions regarding their tax bill.

## Effect on SCV Water's Bonding Capacity

- There is no impact to SCV Water's bonding capacity. This is a stand-alone financing mechanism solely secured by this Project, and CMFA will handle all CFD related issues.

## Delinquent Taxes

- CMFA will be responsible for the collection of any delinquent taxes. SCV Water will not have any involvement, responsibility, or liability.

## CFDs and Other Water Agencies

- Numerous other water agencies and special districts in the State have used CFD financing and the BOLD program to help fund needed infrastructure.

# QUESTIONS AND COMMENTS

**THANK YOU!**


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## COMMITTEE MEMORANDUM

**DATE:** August 9, 2021

**TO:** Finance and Administration Committee

**FROM:** Rochelle Patterson   
Director of Finance and Administration

**SUBJECT:** Recommend Approval of Employee Manual Policy No. 40 – Establishing a Flexible Workplace Program

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### SUMMARY

To establish and define the requirements and procedures for the Santa Clarita Valley Water Agency (Agency) Flexible Workplace Program (FWP). Guidelines and processes were developed to ensure that flexible workplace options are available, monitored and applied consistently to eligible Agency employees. An FWP, also known as telecommuting, is the practice of working from an alternate location instead of commuting to an employee's designated work site.

### DISCUSSION

In response to the COVID-19 pandemic, to be protective of the Agency's staff and the general public welfare and the California governor's subsequent orders to shelter in place, SCV Water moved to make emergency accommodations to allow certain staff positions the discretion to telecommute. The Board approved the Temporary Telecommuting Policy on July 7, 2020. The Temporary Telecommuting Policy formally established guidelines, which generally outlined appropriate behavior and protocol for utilizing Agency property and technology in an out-of-office environment.

During the COVID-19 pandemic, certain employees that could perform their job duties remotely were asked to do so to comply with the public health department recommendation to limit the number of employees in the workplace. The Agency made additional investments in computer equipment early in the pandemic in order to allow approximately 35% or 76 positions to work remotely. Agency business continued successfully and without interruption.

There are many advantages to an FWP:

- Many businesses that strictly denied work-from-home didn't plan for a situation where telecommuting would become necessary, but by developing a FWP as an option, employees can easily switch to working from home during pandemic-like crises and other emergencies.
- Telecommuting has a positive impact on employee productivity and employee experience.
- Remote workers have more flexibility and save on commuting expenses. They can optimize their workday to the fullest without worrying about travel to and from their work location.

- Expectations are changing as we recruit the next generation of SCV Water staff. FWP may assist in our recruitment and retention of staff. Supports employee work/life balance.
- Moving to a permanent FWP policy also enables the Agency to utilize the capital investment already made for technology and office equipment.

There are also disadvantages which also need to be considered:

- Not all eligible employees may have a distraction-free home working environment, or perceive it as a favorable work/life balance measure.
- Potential cybersecurity issues
- Potential negative effect on morale for some staff in positions that cannot work remotely due to their job responsibilities
- Need to ensure accountability and responsiveness to internal and external customers, regardless of working location.

Management believes that the advantages outweigh the disadvantages. Staff have proven that working remotely did not diminish their productivity during the safer-at-home timeframe. Most of the employees worked full-time remotely, and this FWP schedule limits the number of remote working days in a week to two (2). Positions and schedules must be approved before the FWP commences and is combined with days worked in an Agency office location.

The General Manager must approve all FWP applications. Participation and eligibility in the FWP are administrative and final, not subject to grievance or appeal, and is a privilege and not a right or entitlement.

Agency legal counsel assisted in the development of and our executive management team have been consulted and reviewed the attached proposed Flexible Workplace Program policy.

### **FINANCIAL CONSIDERATIONS**

None at this time.

### **RECOMMENDATION**

That the Finance and Administration Committee recommends the Board of Directors approve the attached Employee Manual Policy No. 40, establishing a Flexible Workplace Program.

RP

Attachment





<b>EMPLOYEE MANUAL</b>	
Title: <b>FLEXIBLE WORKPLACE PROGRAM</b>	
Policy No.: 40.0	Section Nos. 40.0 – 40.4
Approval Date: September 2021	Effective Date: September 2021
Approved By: Board of Directors	

**40.0 PURPOSE**

To establish and define the requirements and procedures for the Santa Clarita Valley Water Agency Flexible Workplace Program (“FWP”). This policy applies to all active employees regardless of full-time or part-time classification.

This policy excludes reasonable accommodation efforts for employees that may need accommodation due to a covered disability. The Agency will use the interactive process to reach a reasonable accommodation in those instances.

The FWP is intended to:

- Support employee work/life balance
- Reduce the workforce carbon footprint by allowing employees to reduce trips
- Decrease traffic congestion by allowing employees to travel during non-peak hours
- Increase employee job satisfaction
- Attract and retain employees
- Protect employee health and safety and reduce the risk of exposure to communicable disease and illness, when necessary
- Allow for continuity of Agency services in the event of an emergency
- Be approved on a case-by case basis depending on organizational priorities
- Not increase any already budgeted personnel costs

**40.1 Eligibility**

The FWP is not suitable for all employees and/or positions. The General Manager or his/her designee has the discretion, with input from an employee’s supervisor, Manager, and Department Director, to determine the positions eligible to participate in the FWP and the number of hours of participation on a weekly basis.

- a) Each position must be identified as FWP capable in the Flexible Workplace Position Eligibility List, which list will determine if the essential functions of the position are successfully achievable through the FWP.
- b) The decision of the General Manager as to eligibility is final and is not subject to grievance or appeal.
- c) Not every applicant for the FWP will be approved.
- d) The Agency has no obligation to allow one position to participate in the FWP merely because another position who performs similar job duties has been approved to participate in the FWP. The General Manager may override the Flexible Workplace Position Eligibility List on a case-by-case basis.
- e) The General Manager may or may not disclose the specific criteria used to determine Approval or Denial of an Application. Therefore, the employee should only expect to receive communication of an Approval or Denial by the General Manager.



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- f) Positions chiefly focused on field work or that are directly customer facing may not be compatible with the FWP. However, efforts may be made to evaluate whether a portion of an employee’s work duties that are compatible to be done away from the designated work location can be scheduled as part of the FWP.
- g) The Department Director will consider the following criteria in determining whether to recommend approval of a specific FWP Application:
  - 1) The employee’s overall rating on their last performance evaluation;
  - 2) The employee is not eligible if the employee is on a performance improvement plan (PIP) or has had disciplinary action in the last twelve (12) months;
  - 3) Has or will have arranged for child/dependent care as necessary for the hours in which the employee works from the Alternate Worksite;
  - 4) Whether the employee’s job duties can be performed away from the Agency worksite and consideration of face-to-face interactions with other Agency employees and the public that the employee’s position requires;
  - 5) The ability to measure the employee’s work performance from a location separate from their worksite;
  - 6) Whether the employee can reliably provide alternative workspace;
  - 7) Whether the employee’s absence from the primary work site will disrupt the workflow of other employees and/or overall management of the Agency or diminish the quantity or quality of the work performed;
  - 8) Whether the employee has adequate technical skills, technology equipment such as monitors, printers, scanners, and other tools needed to perform the duties, and internet and telecommunications capabilities to perform job requirements;
  - 9) The employee’s supervisory responsibilities;
  - 10) The employee’s need for supervision;
  - 11) Other considerations deemed necessary and appropriate by the employee’s immediate supervisor, Department Director, the General Manager and his/her designee;
  - 12) Whether the employee’s participation in the FWP serves the stated intention and purpose of the FWP.

#### **40.2 Policy**

- a) The FWP will allow employees to voluntarily enter into an agreement to schedule portions of their work week away from their regular worksite. Participating employees will work a full workday, but the FWP will allow times and number of hours in the office to be scheduled differently between individual days of the week.



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- b) The General Manager, or his/her designee, must approve all FWP Applications.
- c) A FWP schedule must be consistent, approved before it commences, and shall be combined with days and hours worked at the worksite.
- d) Under special circumstances or in the event of an emergency, employees who are able to work a majority or all of their scheduled hours remotely may be required to do so.
- e) FWP employees may work the equivalent of a maximum of two (2) days out of the work week from an Alternate Worksite, unless otherwise approved by the General Manager through the FWP application process. An Alternate Worksite is defined as a primary residence and does not include a commercial location that has a shared workspace or work done while on non-official travel.
- f) Participation in a FWP does not change or in any manner alter an employee's duties, obligations, responsibilities, or conditions of employment, or impact an employee's salary, retirement, benefits, and Agency insurance coverage.
- g) Expenses incurred as a result of participating in the FWP will not be reimbursed by the Agency unless they are normally reimbursable pursuant to Agency policies. Such non-reimbursable expenses include, but are not limited to, utility costs (including internet access), purchase of office equipment or furniture, home improvements, any construction, any alterations to real or personal property, and travel to and from the primary Agency worksite if required to be onsite.
- h) Employees remain obligated to comply with all State and Federal rules, policies, regulations, procedures, and practices.
- i) The FWP shall be entirely voluntary and the program as a whole and/or an employee's participation in the FWP may be suspended, canceled, amended or discontinued by the Agency at any time, at the Agency's sole discretion. An employee may cease participation in the FWP upon reasonable request. Termination of an employee's participation in the FWP by the Agency is administrative and final, not subject to grievance or appeal.
- j) The FWP shall be a cooperative effort between the employee and the Agency. Participation in the program is a privilege and not a right or an entitlement.



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### **40.3 Acknowledgements**

In order to participate in the FWP, employees will be required to acknowledge and agree to the following:

- a) The FWP and participation therein is subject to the discretion of the Agency, and participation in the program will be determined consistent with the eligibility criteria above.
- b) Non-exempt employees who are eligible for overtime shall document their work schedule in the Application, including rest and meal breaks (“Work Schedule”). Any deviation from the Work Schedule must be approved in advance, in writing, by management. Non-exempt employees must take meal and rest breaks while on the FWP, just as they would if they were reporting to work at their Agency worksite. Non-exempt employees may not work outside their normal work hours without prior written authorization from their supervisor. A non-exempt employee who fails to secure written authorization before working outside his or her normal work hours may face discipline in accordance with the Agency’s policy for working unauthorized overtime.
- c) FWP employees are required to be accessible in the same manner as if they are working at their Agency worksite during the established Work Schedule, regardless of the designated location for working, or Alternate Worksite. Employees must be accessible via telephone, email, and/or network access to their supervisor and other Agency employees while working off-site, as if working at their Agency worksite. Employees shall check their Agency-related business phone messages and emails on a consistent basis and respond accordingly, as if working at their Agency worksite.
- d) Employees shall work their regular schedule (full-time or part-time basis), according to the Work Schedule.
- e) Employees are required to maintain an accurate record of all hours worked and submit their hours in accordance with normal Agency procedures while working at the Alternate Worksite.
- f) While on the FWP, employees shall:
  - 1) Be available to the Agency via telephone and/or email during all designated work hours.
  - 2) Maintain their Alternate Worksite free from distractions.
  - 3) Have reliable and secure internet and/or wireless access.
  - 4) Obtain advance approval for all periods of unavailability from management in accordance with department policy and documented on the appropriate leave of absence notice.
  - 5) Ensure dependent care will not interfere with work responsibilities.
  - 6) Notify their supervisor promptly when unable to perform work assignments because of equipment failure or other unforeseen circumstances.



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- 7) Agency has provided Agency owned equipment and agree to follow the Agency’s Use of Technology policy for the use of such equipment. Employees will immediately report to their supervisor any loss, damage, or unauthorized access to Agency owned equipment immediately upon discovery of such loss, damage, or unauthorized access.

**40.4 General Duties, Obligations and Responsibilities**

Employees are required, as a condition of initial approval and continued participation in the FWP to agree and adhere to the provisions and terms set forth herein, including the following:

- a) FWP employees are required to abide by all Agency policies and procedures, rules and regulations and all other official Agency documents and directives.
- b) FWP employees must meet the same standards of performance and professionalism expected of Agency employees in terms of job responsibilities, work product, timeliness of assignments, and contact with other Agency employees and the public.
- c) FWP employees must ensure that all official Agency documents are retained and maintained according to the normal operating procedures in the same manner as if working at an Agency worksite.
- d) FWP employees will be completely responsible for costs associated with the use of their own cellular equipment, including energy, data or maintenance costs, network costs, home maintenance, home workspace furniture, ergonomic equipment, liability for third party claims, or any other incidental costs (e.g., utilities associated with the employee’s Alternate Worksite).
- e) FWP employees may receive access to a virtual private network (“VPN”), as approved by the Information Technology Department.
- f) FWP employees must continue to abide by practices, policies and procedures for requesting sick, vacation and other leaves of absences. Requests to work overtime, declare vacation or take other time off from work must be pre-approved in writing by each employee’s supervisor. If an employee becomes ill while working at the Alternate Worksite, they shall notify their supervisor immediately and record on their timesheet any hours not worked due to incapacitation.





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- g) FWP employees will take precautions to ensure Agency devices (e.g., computers, laptops, tablets, smart phones, etc.) are secure before connecting remotely to the Agency’s network and must close or secure all connections to Agency desktop or system resources (e.g., remote desktop, VPN connections, etc.) when not conducting work for the Agency (Employees will disconnect from VPN when not in use). Employees will not allow anyone else in the household to use Agency issued devices. Employees will adhere to Agency directed patching schedules whether equipment is at home or at work (Agency laptops must be kept powered up and online during patching/updates).
- h) FWP employees must exercise the same precautions to safeguard electronic and paper information, protect confidentiality, and adhere to the Agency’s records retention policies, especially as it pertains to the Public Records Act. Employees, as if they were at an Agency worksite, must safeguard all sensitive and confidential information (both on paper and in electronic form) relating to Agency work they access from the Alternate Worksite or transport from their Agency worksite to the Alternate Worksite. Employees must also take reasonable precautions to prevent third parties from accessing or handling any sensitive and confidential information they access from the Alternate Worksite or transport from their Agency worksite to the Alternate Worksite. Employees must return all records, documents, and correspondence to the Agency at the termination of the FWP Agreement or upon request by their supervisor, department Director or Human Resources Department.
- i) FWP employees’ wages and benefits will be the same as if they were continuing to work at an Agency worksite. Workers’ Compensation benefits will apply only to injuries occurring at an Alternate Worksite which arise out of and in the course of employment as defined by Workers’ Compensation law. Employees must report any such work-related injuries to their supervisor immediately. The Agency shall not be responsible for injuries or property damage unrelated to such work activities, including injuries to third persons when said injuries occur at the Alternate Worksite.
- j) FWP employees’ existing supervisory relationships, lines of authority and supervisory practices remain in effect. Prior to the approval of participation in the FWP, supervisors and employees shall agree upon a reasonable set of goals and objectives to be accomplished by the employees. Supervisors shall use reasonable means to ensure that timelines are adhered to and that goals and objectives are achieved.
- k) Any breach of the FWP Agreement by the employee may result in termination of the Agreement and/or disciplinary action, up to and including termination of employment.



## COMMITTEE MEMORANDUM

**DATE:** August 9, 2021

**TO:** Finance and Administration Committee

**FROM:** Rochelle Patterson *[Signature]*  
 Director of Finance and Administration

**SUBJECT:** Recommend Approval of a Resolution Adjusting Employer's Contributions for PERS Medical Insurance

**SUMMARY**

CalPERS has published the 2022 Regional Health Premiums on its offered medical plans. As part of the new rates, CalPERS has combined two (2) of the Preferred Provider Organization (PPO) plans. The Agency's current resolution, approved by the Board in August 2019, set the Agency's contribution to 90% of PERS Care PPO plan. As a result of the plan merger, the PERS Care plan will no longer exist. The Agency's current resolution with CalPERS will need to be amended to incorporate the plan changes.

**DISCUSSION**

The Agency offers a variety of medical insurance plans through CalPERS that include Health Maintenance Organization (HMO) plans and PPO options, with premiums that vary annually. It has been Agency practice to pay insurance premiums up to 90% of monthly premiums, which in 2019 was the PERS Care PPO plan for Region 3 (Los Angeles County) and was the highest plan.

Since CalPERS the merger of two PPO plans, PERS Care and PERS Choice into one plan called PERS Platinum, a new resolution is required by CalPERS. A third PPO plan, PERS Select, will be transitioned to PERS Gold. CalPERS has not yet published the summary of benefits for the new named plans, therefore, the type of benefit coverage such as deductibles and co-pays is not available at this time.

77% of the participating employees/retirees/directors reside within Region 3, therefore Region 3 rates will be used to establish the Agency contribution.

Below is quick reference to the CalPERS proposed plan changes.

**PPO**

2021 Basic Plans	2021			2022 Basic Plans	2022			Percent Change
	Single	2-Party	Family		Single	2-Party	Family	
<b>Basic Premiums - Region 3</b>								
Los Angeles, Riverside and San Bernardino								
PERS Care	\$1,036.07	\$2,072.14	\$2,693.78	PERS Platinum	\$ 863.37	\$1,726.74	\$2,244.76	-16.67%
PERS Choice	\$ 761.23	\$1,522.46	\$1,979.20					13.42%
PERS Select	\$ 459.94	\$ 919.88	\$1,195.84	PERS Gold	\$ 575.56	\$1,151.12	\$1,496.46	25.14%

The Anthem Traditional HMO plan rate is the most expensive plan as opposed to the PERS Care plan, which the Agency used to base its contributions (see below).

**HMO**

<b>Basic Premiums - Region 3</b>							
Los Angeles, Riverside and San Bernardino							
<b>Basic Plans<sup>1</sup></b>	<b>2021</b>			<b>2022</b>			<b>Percent Change</b>
	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	<b>Single</b>	<b>2-Party</b>	<b>Family</b>	
Anthem Traditional	\$984.21	\$ 1,968.42	\$ 2,558.95	\$ 935.57	\$ 1,871.14	\$ 2,432.48	-5%

Agency approved contributions for 2021 are as follows:

- \$ 932.46 – employee or retiree or Director only (“EE”)
- \$1,864.93 – employee or retiree or Director with one dependent (“EE+1”)
- \$2,424.40 – employee or retiree or Director with more than one dependent (“Family”)

Starting January 1, 2022, monthly premiums for all HMO plans will increase by an average of 4.94% and PERS PPO Care and Choice plans will be eliminated and replaced by PERS Platinum with an average change of 7.3%, both at the family rate.

Staff looked at several options (analyzing Agency and Employee contributions) and is recommending changing the existing resolution to update the Agency’s contribution under the PERS Medical and Hospital Care Act so the Agency’s contribution will be 90% of the highest published rate for Region 3 (Anthem Traditional HMO for 2022 at \$2,432.48, Region 3, family level). Reducing the Agency’s contribution by approximately 10%.

For 2022, contributions would be as follows:

- \$ 842.01 – EE
- \$1,684.03 – EE+1
- \$2,189.23 – Family Level

Open enrollment for 2022 health care coverage begins September 20, 2021, and ends October 15, 2021, for Agency employees, Directors and retirees; therefore, management will need to communicate these forthcoming changes to employees and retirees as soon as possible so that they can make educated decisions when choosing their medical plans.

A new resolution will need to be adopted no later than September 7, 2021, to meet new enrollment deadlines. This resolution will remain in place until rescinded by the Board.

**FINANCIAL CONSIDERATIONS**

Under the existing resolution, there are 28 employees/retirees/directors that contribute monthly to their chosen health plan (\$104 to \$270). Under the recommended resolution (assuming no change in enrollment) 98 employees/retirees/directors will need to contribute monthly from \$21 to \$243. Employees and retirees in Region 2 would need to contribute monthly from \$58 to \$429.

The FY 2021/2022 Budget assumed an increase in medical insurance premiums of \$309,200. The recommendation would increase Agency costs by \$133,370 and employee costs by \$76,100 annually.



## **RECOMMENDATION**

That the Finance and Administration Committee recommend that the Board of Directors set the Agency's contribution under the PERS Medical and Hospital Care Act so the Agency's contribution will be 90% of the highest published rate for Region 3 and approve a resolution adjusting employer's contribution for PERS medical insurance.

Attachment

RP/am

M65

RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SANTA CLARITA VALLEY WATER AGENCY  
ADJUSTING EMPLOYER'S CONTRIBUTION UNDER THE  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT  
EFFECTIVE JANUARY 1, 2022**

**WHEREAS**, Government Code Section 22892(a) provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall adjust the amount of the employer's contribution at an amount not less than the amount required under Section 22892(b)(1) of the Act; and

**WHEREAS**, Santa Clarita Valley Water Agency hereinafter referred to as Special District is a contracting agency under Government Code Section 22920 for participation by members of the Board of Directors (medical group 700).

**NOW, THEREFORE BE IT RESOLVED**, that the employer's contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefit plan, up to a maximum of 90% of the highest published rate for Region 3 per month, plus administrative fees and Contingency Reserve Fund Assessments; and

**BE IT FURTHER RESOLVED**, that Santa Clarita Valley Water Agency has fully complied with any and all applicable provisions of Government Code Section 7507 in electing the benefits set forth above.

# Accounts Receivable - Past Due Amounts

Weekly Scorecard Example

## Accounts Receivable - Past Due Amounts

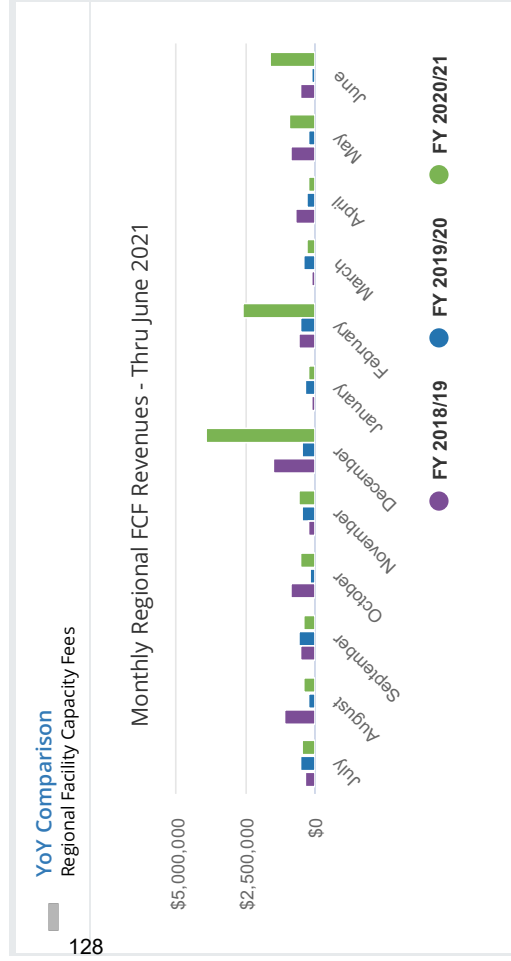
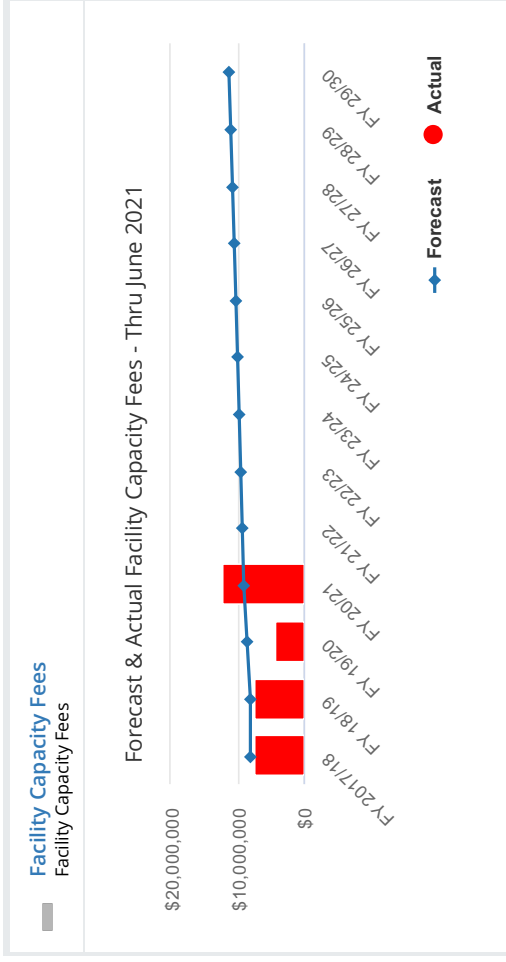
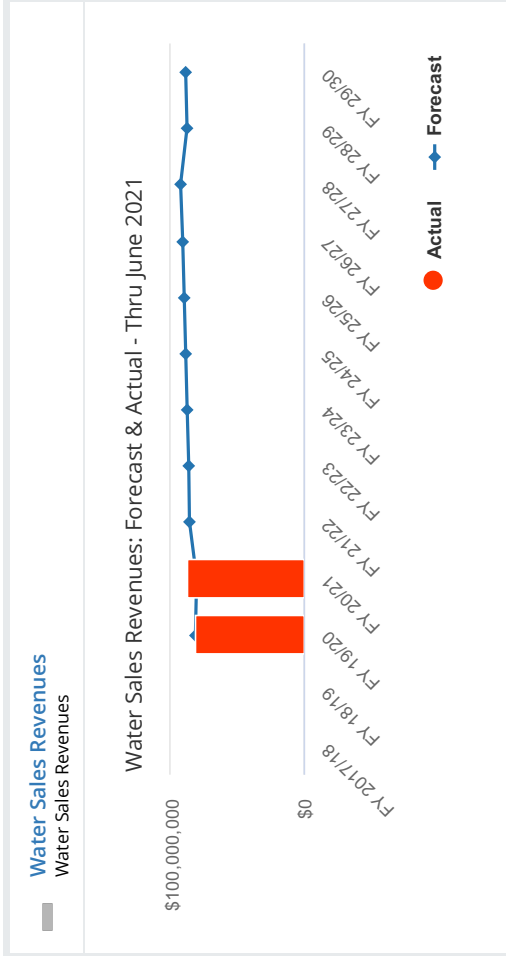
SCV Water Retail Accounts Receivable: Past Due Accounts



ITEM NO.  
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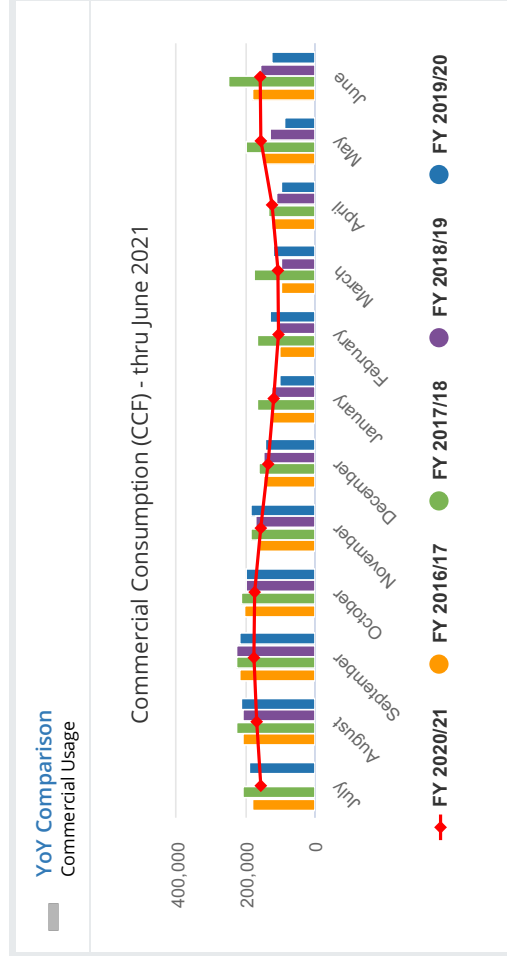
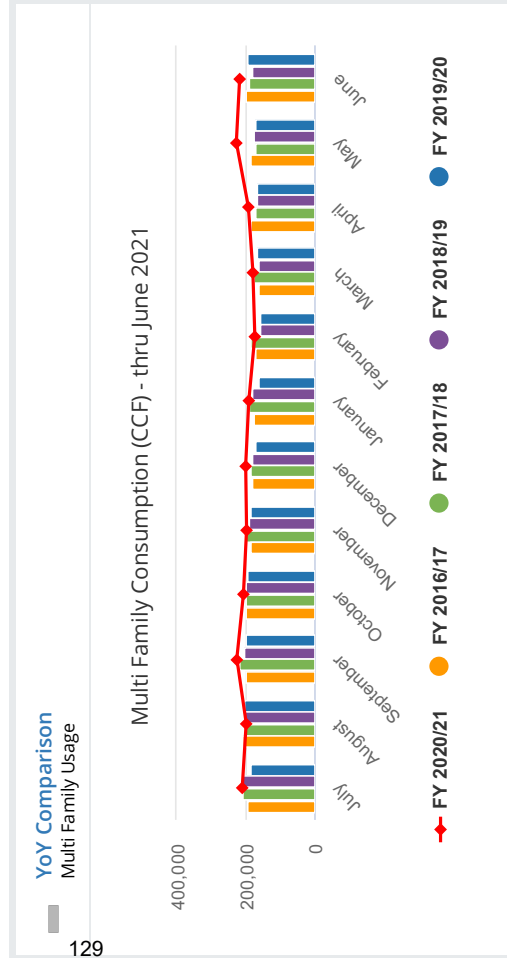
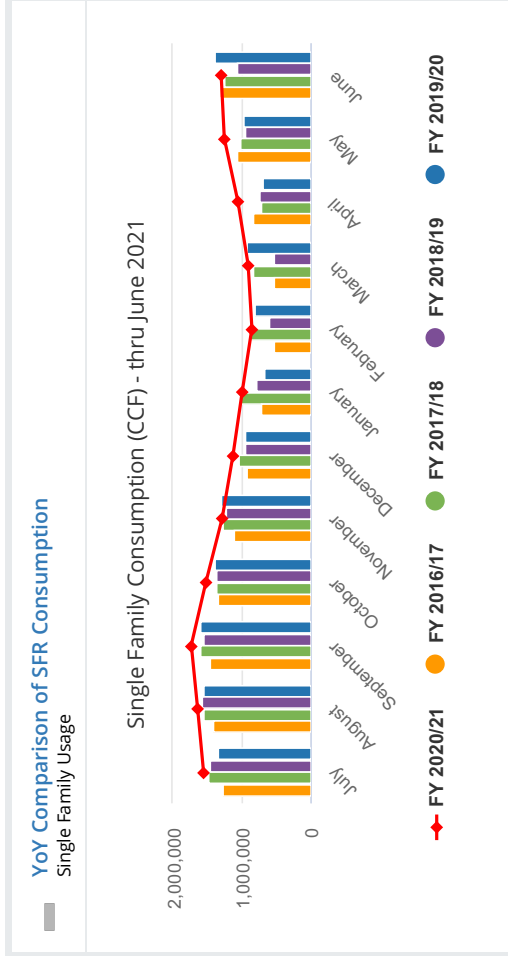
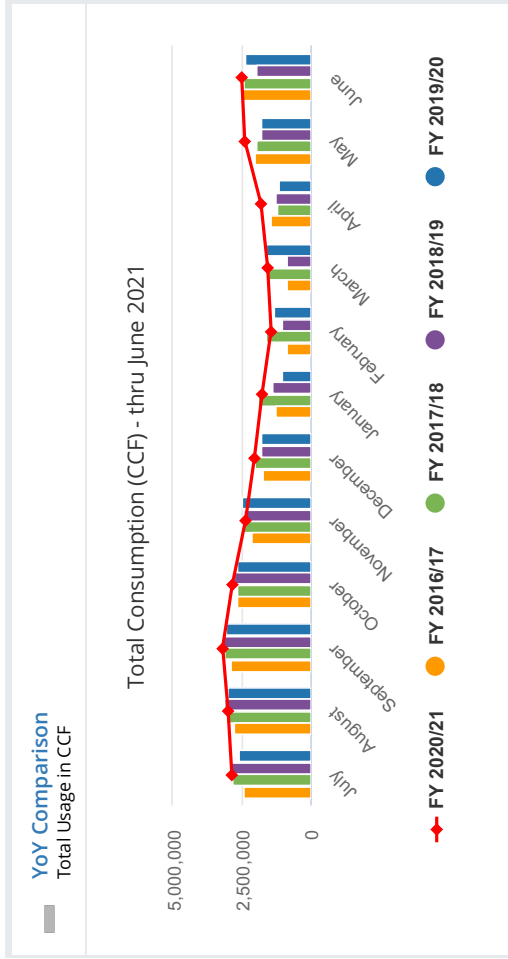
# Financial Dashboard

Key Metrics Scorecard



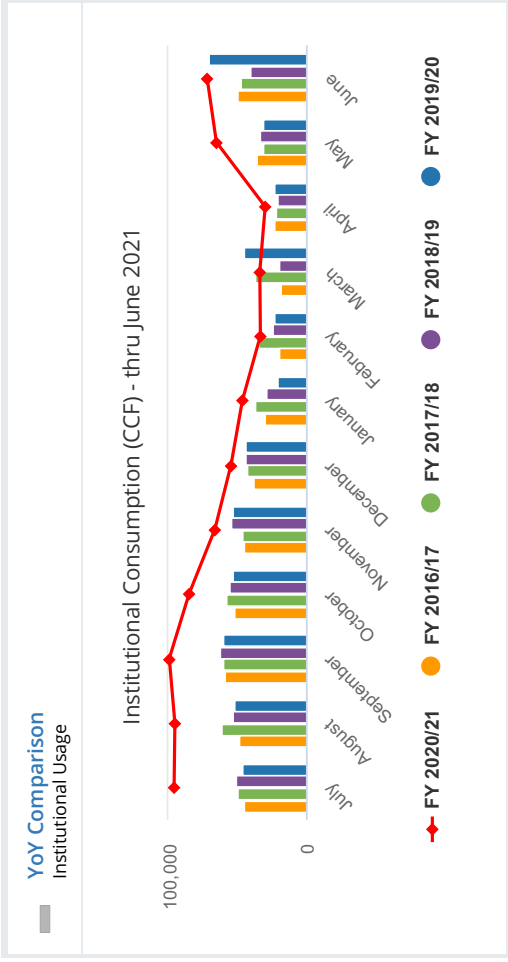
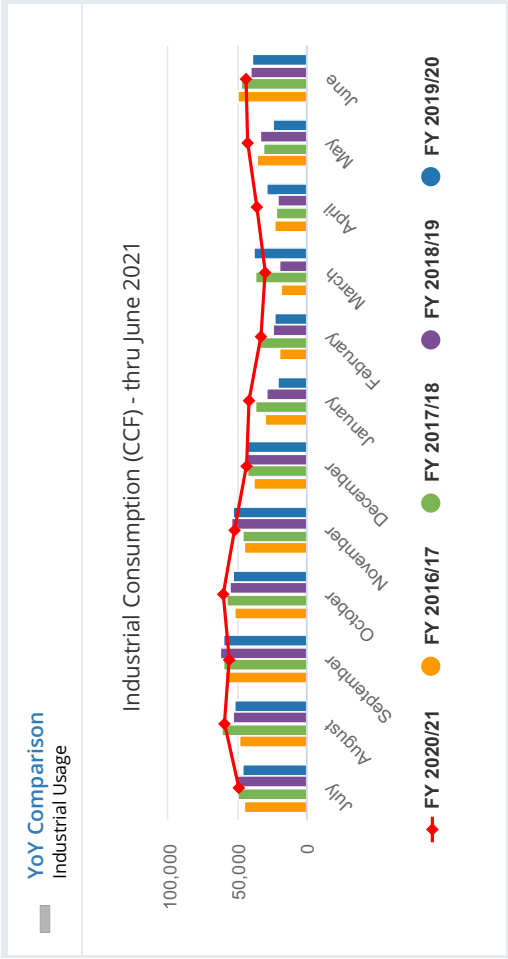
# Usage Dashboard

Key Metrics Scorecard



# Usage Dashboard

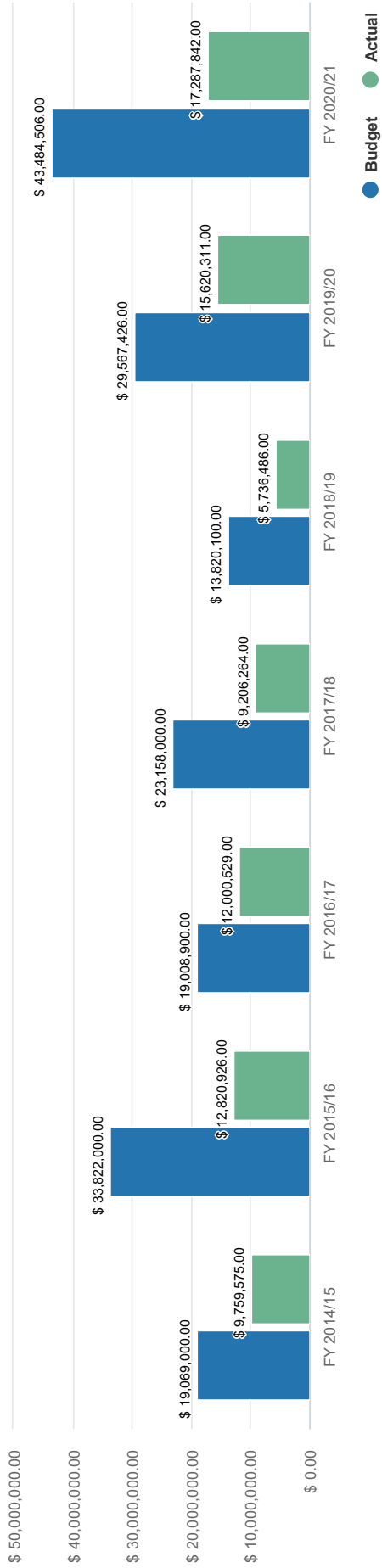
Key Metrics Scorecard



## CIP and Pay-Go - Regional & Retail Combined

Key Metrics Scorecard

### CIP and Pay-Go - Regional & Retail Combined



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ITEM NO.

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# Monthly Financial Report

## JUNE 2021

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# Statements of Revenues and Expenses

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**SCV Water - Regional**  
**Statement of Revenues and Expenses**  
**For the 12th Period Ending 6.30.21**

(in \$000)

	(A)		(B)		(C)		(D)	(E)	(F)	(G)
	Actual	Budget	Variance	Actual	Budget	Variance				
(1)	\$2,541	\$2,594	(\$53)			\$28,540	\$26,626	\$1,914	7%	(1)
(2)	\$2,541	\$2,594	(\$53)			\$28,540	\$26,626	\$1,914	7%	(2)
(3)	237	627	(390)			2,516	3,254	(738)	(23%)	(3)
(4)	631	1,293	(662)			5,989	6,936	(947)	(14%)	(4)
(5)	265	170	95			2,254	2,079	175	8%	(5)
(6)	296	844	(548)			2,952	3,774	(822)	(22%)	(6)
(7)	110	89	21			1,201	1,211	(10)	(1%)	(7)
(8)	3,106	4,059	(953)			11,404	14,870	(3,466)	(23%)	(8)
(9)	825	624	201			5,836	5,615	221	4%	(9)
(10)	\$5,470	\$7,706	(\$2,236)			\$32,152	\$37,739	(\$5,587)	(15%)	(10)
(11)	(\$2,929)	(\$5,112)	\$2,183			(\$3,612)	(\$11,113)	\$7,501	(67%)	(11)
(12)	\$2,472	\$11,921	(\$9,449)	A		\$47,296	\$51,965	(\$4,669)	(9%)	(12)
(13)	(2,590)	(5,269)	2,679			(10,818)	(23,078)	12,260	(53%)	(13)
(14)	-	-	-			(17,769)	(16,545)	(1,224)	7%	(14)
(15)	(\$118)	\$6,652	(\$6,770)			\$18,709	\$12,342	\$6,367	52%	(15)
(16)	(\$3,047)	\$1,540	(\$4,587)			\$15,097	\$1,229	\$13,868	1128%	(16)

SCV Water - Retail  
Statement of Revenues and Expenses  
For the 12th Period Ending 6.30.21

(in \$000)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Current Period				Year-to-Date		
	Actual	Budget	Variance	Actual	Budget	Variance	
				<b>Operating Revenues</b>			
(1)	\$7,760	\$7,393	\$367	\$88,275	\$82,136	\$6,139	7% (1)
(2)	61	183	(122)	661	2,027	(1,366)	(67%) (2)
(3)	\$7,821	\$7,576	\$245	\$88,936	\$84,163	\$4,773	6% (3)
(4)	2,588	2,579	9	28,921	28,912	9	0% (4)
(5)	637	773	(136)	8,318	8,912	(594)	(7%) (5)
(6)	194	243	(49)	2,542	2,934	(392)	(13%) (6)
(7)	1,083	709	374	9,946	8,910	1,036	12% (7)
(8)	368	224	144	2,691	2,766	(75)	(3%) (8)
(9)	79	128	(49)	758	1,581	(823)	(52%) (9)
(10)	632	708	(76)	8,358	8,671	(313)	(4%) (10)
(11)	5,581	5,364	217	\$61,533	\$62,686	(\$1,152)	(2%) (11)
(12)	\$2,240	\$2,212	\$28	\$27,403	\$21,477	\$5,925	28% (12)
				<b>Total Operating Expense</b>			
				<b>Operating Revenue Over/(Under) Operating Expenses</b>			
(13)	53	136	(83)	1,407	1,067	340	32% (13)
(14)	(255)	(255)	-	(10,285)	(9,257)	(1,028)	11% (14)
(15)	(2,385)	(3,805)	1,421	(11,443)	(45,667)	34,224	(75%) (15)
(16)	(2,587)	(3,924)	1,338	(20,321)	(53,857)	33,536	(62%) (16)
(17)	(\$347)	(\$1,712)	\$1,366	\$7,082	(\$32,380)	\$39,461	(122%) (17)

# Large Disbursement Check Registers

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# SCV Water - Regional Division

## Ten Largest Disbursements

From: Jun 1, 2021 to Jun 30, 2021

No.	Vendor Name	Check Date	Description	Amount
	THE NEWHALL LAND AND FARMING CO.	06/24/2021	PROGRESS PAYMENT #17 THRU 4/30/21-MAGIC MOUNTAIN PIPELINE PH6A	1,059,238.77
			PROGRESS PAYMENT #17 RETENTION TRUST-MAGIC MOUNTAIN PIPELINE PH6A	-52,961.94
<b>1</b>	<b>THE NEWHALL LAND AND FARMING CO.</b>			<b>1,006,276.83</b>
	SOUTHERN CALIFORNIA EDISON	06/17/2021	V-8 MCBEAN 3/26-5/27	32.29
			NEWHALL RANCH PM 3/26-5/27	33.18
			RECH2O RESERVOIR 3/26-5/27	57.22
			SC-11 TURNOUT 3/26-5/27	60.66
			RIO VISTA WATER TREATMENT PLANT GATE 3/26-5/27	158.80
			N-2 TURNOUT 3/26-5/27	198.06
			SC RESERVOIR 3/26-5/27	393.88
			SUMMIT CIR 3/23-5/23	536.83
			RECH2O MTR 3/24-4/28	4,909.80
			SAUGUS1WELL 3/11-4/11	10,084.31
			SAUGUS2WELL 3/26-5/27	18,052.05
			EARL SCHMIDT FILTRATION PLANT PS 3/26-5/27	24,947.80
			RIO VISTA INTAKE PUMP STATION SERVICE 3/25-5/26	200,325.18
			SC PUMP STATION 3/26-5/27	219,076.04
<b>2</b>	<b>SOUTHERN CALIFORNIA EDISON</b>			<b>478,866.10</b>
	SOUTHERN CALIFORNIA EDISON	06/23/2021	APR 21 #600001504924	17,450.23
			MAY/JUN 600001504924	443,804.92
<b>3</b>	<b>SOUTHERN CALIFORNIA EDISON</b>			<b>461,255.15</b>
	ROSEDALE-RIO BRAVO WATER STORAGE	06/17/2021	WATER BANKING POWER O&M	371,393.43
<b>4</b>	<b>ROSEDALE-RIO BRAVO WATER STORAGE</b>			<b>371,393.43</b>
	PACIFIC TANK & CONSTRUCTION, INC.	06/10/2021	CHERRY WILLOW RECH2O TANKS PH 2B S16-702 - PROGRESS PAYMENT THRU 4/30/21	344,014.00
			CHERRY WILLOW RECH2O TANKS PH 2B S16-702 - RETENTION	-17,200.70
<b>5</b>	<b>PACIFIC TANK &amp; CONSTRUCTION, INC.</b>			<b>326,813.30</b>
	X-ACT TECHNOLOGY SOLUTIONS, INC.	06/11/2021	SCADA BACKUP STORAGE	94,848.94
			SCADA SERVERS	86,674.26
			IT SUPPORT SERVICES	24,300.00
			SECURITY SERVICE JUNE	11,200.00
			OFFICE 365 JUNE	9,602.05
			CLOUD BACKUP JUNE	4,075.00
			DATABASE TECH	6,125.00
<b>6</b>	<b>X-ACT TECHNOLOGY SOLUTIONS, INC.</b>			<b>236,825.25</b>
	WATER CO REFUND CONT. TRUST 2010-1	06/16/2021	ANNUAL MAINLINE CONTRACT REFUND 2021	220,781.64
<b>7</b>	<b>WATER CO REFUND CONT. TRUST 2010-1</b>			<b>220,781.64</b>
	SEMITROPIC WATER STORAGE DISTRICT	06/24/2021	WATER BANKING & EXCHANGE	51,175.92

## SCV Water - Regional Division

Ten Largest Disbursements

From: Jun 1, 2021 to Jun 30, 2021

No.	Vendor Name	Check Date	Description	Amount
			WATER BANKING & EXCHANGE	108,115.17
<b>8</b>	<b>SEMITROPIC WATER STORAGE DISTRICT</b>			<b>159,291.09</b>
	EMTEC CONSULTING SERVICES, LLC	06/17/2021	FINANCIAL MANAGEMENT SYSTEM & IMPLEMENTATION SERVICES	154,002.00
<b>9</b>	<b>EMTEC CONSULTING SERVICES, LLC</b>			<b>154,002.00</b>
	SEMITROPIC WATER STORAGE DISTRICT	06/03/2021	WATER BANKING & EXCHANGE	132,667.44
<b>10</b>	<b>SEMITROPIC WATER STORAGE DISTRICT</b>			<b>132,667.44</b>
	<b>Summary</b>			<b>3,548,172.23</b>
<b>Summary-All Checks Issued During Jun 2021</b>				<b>8,158,470.76</b>
<b>Largest Ten Vendor Payments as Compared to Total</b>				<b>43%</b>

# Director Stipends

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Director Jerry Gladbach

Date	Meeting	Amount
06/01/21	Regular Board Meeting	\$239.00
06/01/21	USCVJPA Meeting	\$0.00
06/09/21	Special Board Meeting	\$239.00
06/10/21	ACWA Energy Committee Meeting	\$239.00
06/15/21	Regular Board Meeting	\$239.00
06/16/21	Special Board Meeting	\$239.00
06/17/21	Public Outreach and Legislation Committee Meeting	\$239.00
06/23/21	Southern California Water Dialogue Meeting	\$239.00
06/28/21	Agenda Planning Meeting	\$239.00
	<b>Stipend Total</b>	<b>\$1,312.00</b>
	<b>Total Paid Days</b>	<b>8</b>
	<b>Total Meetings</b>	<b>9</b>

Director Gary Martin

Date	Meeting	Amount
06/01/21	Regular Board Meeting	\$239.00
06/01/21	USCVJPA Meeting	\$0.00
06/03/21	Engineering and Operations Committee Meeting	\$239.00
06/08/21	Meeting with DCA Executive Director Graham Bradner	\$239.00
06/09/21	Special Board Meeting	\$239.00
06/11/21	DCA Board Prep Meeting	\$239.00
06/15/21	Regular Board Meeting	\$239.00
06/16/21	Special Board Meeting	\$239.00
06/17/21	DCA Board of Directors Meeting	\$239.00
06/21/21	Finance and Administration Committee Meeting	\$239.00
06/25/21	4th Annual VIA State of the State Program	\$239.00
06/28/21	Agenda Planning Meeting	\$0.00
	<b>Stipend Total</b>	<b>\$2,390.00</b>
	<b>Total Paid Days</b>	<b>10</b>
	<b>Total Meetings</b>	<b>12</b>

Director Piotr Orzechowski

Date	Meeting	Amount
06/01/21	Regular Board Meeting	\$239.00
06/03/21	Engineering and Operations Committee Meeting	\$239.00
06/09/21	Special Board Meeting	\$239.00
06/15/21	Regular Board Meeting	\$239.00
06/16/21	Special Board Meeting	\$239.00
06/17/21	AWA WaterWise Information Series - Drought 2.0, What's in the Tool Box	\$239.00
	<b>Stipend Total</b>	<b>\$1,434.00</b>
	<b>Total Paid Days</b>	<b>6</b>
	<b>Total Meetings</b>	<b>6</b>

<b>TOTAL PAID DAYS</b>	<b>85</b>
<b>TOTAL MEETINGS</b>	<b>91</b>
<b>TOTAL STIPENDS</b>	<b>\$20,315.00</b>

Director R. J. Kelly

Date	Meeting	Amount
06/01/21	Regular Board Meeting	\$239.00
06/09/21	Special Board Meeting	\$239.00
06/15/21	Regular Board Meeting	\$239.00
06/16/21	Special Board Meeting	\$239.00
06/17/21	Public Outreach and Legislation Committee Meeting	\$239.00
06/21/21	Finance and Administration Committee Meeting	\$239.00
	<b>Stipend Total</b>	<b>\$1,434.00</b>
	<b>Total Paid Days</b>	<b>6</b>
	<b>Total Meetings</b>	<b>6</b>

Director Dan Mortensen

Date	Meeting	Amount
06/01/21	Regular Board Meeting	\$239.00
06/01/21	USCVJPA Meeting	\$0.00
06/09/21	Special Board Meeting	\$239.00
06/15/21	Regular Board Meeting	\$239.00
06/16/21	Special Board Meeting	\$239.00
06/21/21	Finance and Administration Committee Meeting	\$239.00
06/25/21	4th Annual VIA State of the State Program	\$239.00
06/28/21	Agenda Planning Meeting	\$239.00
	<b>Stipend Total</b>	<b>\$1,673.00</b>
	<b>Total Paid Days</b>	<b>7</b>
	<b>Total Meetings</b>	<b>8</b>

Director Lynne Plambeck

Date	Meeting	Amount
06/01/21	Regular Board	\$239.00
06/03/21	Engineering and Operations Committee Meeting	\$239.00
06/07/21	ACWA Water Quality Committee Meeting	\$239.00
06/09/21	Special Board Meeting	\$239.00
06/15/21	Regular Board	\$239.00
06/16/21	Special Board Meeting	\$239.00
06/17/21	Public Outreach and Legislation Committee Meeting	\$239.00
06/23/21	Southern California Water Dialogue Meeting	\$239.00
06/25/21	4th Annual VIA State of the State Program	\$239.00
	<b>Stipend Total</b>	<b>\$2,151.00</b>
	<b>Total Paid Days</b>	<b>9</b>
	<b>Total Meetings</b>	<b>9</b>

Note: Director Atkins had an additional 3 meetings for the month of March bringing his March total to 8 paid meetings and an additional 5 meetings, 4 eligible for a stipend, for the month of May bringing his May total to 9 meetings.

# Director Reimbursements

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**CA Govt. Code Section 53065.5**

**List of Reimbursement for "Individual Charges" = \$100 or more**

**Annual Disclosure for Fiscal Year 20/21** [AP Transactions Updated as of: 6/30/21](#)

[P-Card \(VISA\) Transactions Updated as of: 5/31/21](#) - \*May P-Card transactions affect June cash.

**DIRECTORS**

Date of Reimbursement	Recipient of Reimbursement	Reason for Reimbursement	Amount of Reimbursement
05/13/21	Gladbach, Edward	ACWA DC2021 Washington DC Virtual Conference, 2/24, 3/17, 3/24, 3/31 - Registration	225.00
05/31/21	Cooper, Bill	P-CARD (VISA) - ACWA Zooming through California, 6/23-9/22/21 - Registration	100.00
			<b>325.00</b>

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# Investment Reports

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**Regional Division**  
Cash and Investment Summary  
6/30/21

	Balance	Percent of Total	Average Remaining Life Days	Weighted Average Yield
<b><u>Agency Funds</u></b>				
Cash & Sweep Account	\$ 39,061,787	18.22%	-	0.100%
LAIF - Regional (excludes Retail Divisions)	46,040,791	21.48%	-	0.315%
LACPIF	67,609,706	31.54%	-	0.510%
US Bank Checking Account (1% Prop Tax)	30,000	0.01%	0	0.000%
Certificates of Deposit	978,760	0.46%	1,069	0.325%
State and Local Agencies	7,494,893	3.50%	1,069	2.691%
Federal Agencies	19,986,240	9.32%	1,313	0.389%
Total Agency	<u>181,202,178</u>			
<b><u>Capital Improvement Project Funds</u></b>				
Cash & Sweep Account	\$ 2,958,713	1.38%	-	0.100%
LAIF	30,197,468	14.09%	-	0.315%
Total CIP	<u>33,156,181</u>			
<b>Total Cash and Investment</b>	<u><u>\$ 214,358,359</u></u>	<u>100.00%</u>		0.424%

Restricted State Water Project Cash / Invest: 75,625,225 Included in totals above.

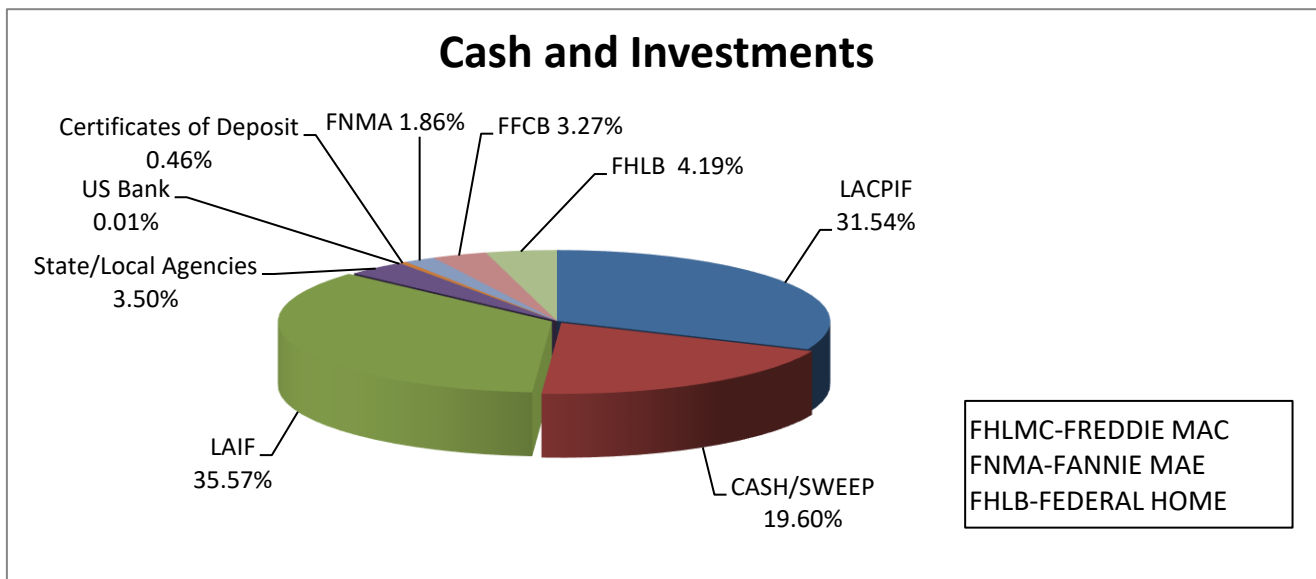
I certify that all investment actions executed since the last investment report have been made in full compliance with the Investment Policy as adopted by the Board of Directors, and that the Agency will meet its expenditure obligations for the next 6 months as required by Government Code Section 53646(b)(2) and (3), respectively.



Rochelle Patterson  
Treasurer/Director of Finance & Administration



Amy Aguer  
Controller



6/30/21

**Regional Division General Funds Invested:**

<u>Description</u>	<u>Cost</u>	<u>Rate</u>	<u>Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Life Days</u>	<u>Rem. Days</u>	<u>Average Interest</u>
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**State and Local Agency Investment Portfolio  
Wells Fargo records these at Par value**

State of California GO Bonds	1,946,780	2.250%	2.862%	01/25/19	10/01/23	1710	823	43,803
Semitropic Improvement District	1,302,045	2.262%	2.262%	10/30/19	12/01/23	1493	884	29,452
State of California GO Bonds	3,098,130	3.000%	3.000%	05/28/19	04/01/24	1770	1006	92,944
San Diego Successor Agency	1,147,938	3.000%	2.052%	10/23/19	09/01/24	1775	1159	34,438
	<u>\$ 7,494,893</u>		<u>2.691%</u>				<u>3,872</u>	<u>200,637</u>

Avg Remaining Life 968 Days

ANB - UBS - CD	244,388	0.250%	0.250%	06/08/21	05/21/24	1078	1056	611
NYCB - UBS - CD	245,000	0.350%	0.350%	06/08/21	06/03/24	1091	1069	858
LDR Bank - UBS - CD	244,373	0.250%	0.250%	06/08/21	06/03/24	1091	1069	611
GCAIUS - UBS - CD	245,000	0.450%	0.450%	06/08/21	06/17/24	1105	1083	1,103
	<u>\$ 978,760</u>						<u>4277</u>	<u>3,182</u>

Weighted Avg Yield 0.325%

Avg Remaining Life 1,069 Days

**Federal Government Agency Investment Portfolio  
Wells Fargo records these at Par value**

FFCB - WF	2,000,560	0.120%	0.120%	02/02/21	01/12/23	709	561	2,401 #
FFCB - WF	5,000,000	0.270%	0.270%	01/05/21	01/05/24	1095	919	13,500 #
FNMA - WF	3,985,680	0.500%	0.500%	11/12/20	11/07/25	1821	1591	19,928 #
FHLB - UBS	4,500,000	0.400%	0.400%	06/08/21	08/29/24	1178	1156	18,000 #
FHLB - UBS	1,500,000	0.600%	0.600%	06/09/21	06/30/26	1847	1826	9,000 #
FHLB - UBS	3,000,000	0.500%	0.500%	06/08/21	06/30/26	1848	1826	15,000 #
	<u>\$ 19,986,240</u>						<u>7879</u>	<u>77,829</u>

# Callable Weighted Avg Yield 0.389%

Avg Remaining Life 1,313 Days

Newhall Water Division  
Cash and Investment Summary  
As of June 30, 2021

<u>Operating and Reserve Funds</u>	Balance	Percent of Total	Average Remaining Life Days	Weighted Avg. Yield
Cash & Sweep Account	\$ 2,920,098	25.94%		0.01%
Federal Home Loan Bank Bond NTS	280,000	2.49%	1762	0.50%
LAIF	5,813,512	51.63%		0.26%
UBS Certificates of Deposit	2,245,000	19.94%	584	1.13%
<b>Total</b>	<b>\$ 11,258,610</b>	<b>100.00%</b>		

<b>Total Cash and Investment</b>	<b>\$ 11,258,610</b>	<b>100.00%</b>		
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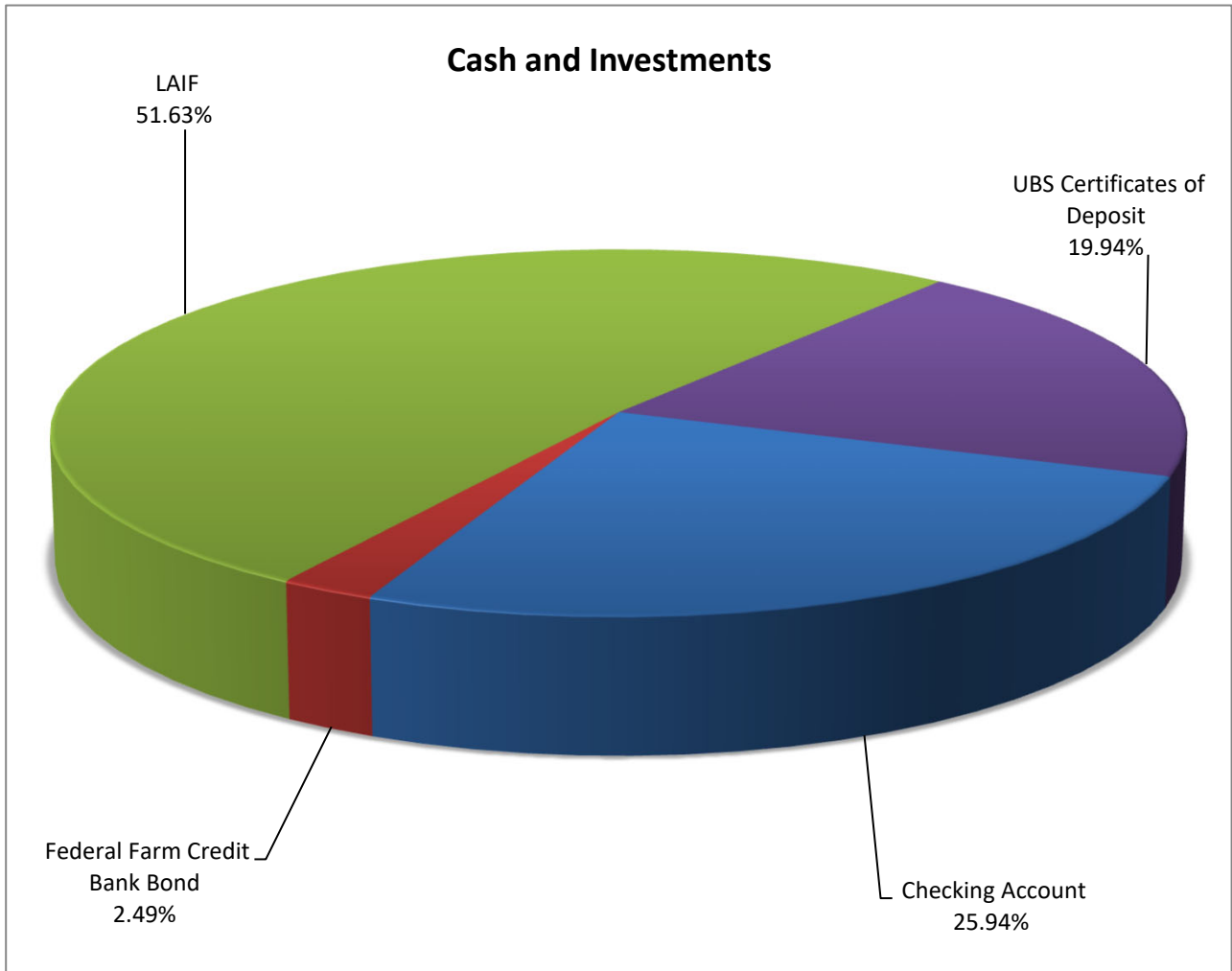


Rochelle Patterson  
Director of Finance and Administration/Treasurer



Amy Aguer  
Controller

I certify that the investments of the Newhall Water Division are in compliance with the Investment Policy as adopted by the Board of Directors, and that the Division has the ability to meet the expenditure requirements for the next 6 months.



NEWHALL WATER DIVISION  
As of June 30, 2021

<u>Description</u>	<u>Rate</u>	<u>Yield</u>	<u>Market Value</u>
Wells Fargo Bank Cash & Sweep	0.01%	0.01%	\$ 2,920,098
Local Agency Investment Fund (LAIF)	0.26%	0.26%	5,813,512
			<b><u>\$ 8,733,610</u></b>

<u>Description</u>	<u>Par</u>	<u>Rate</u>	<u>Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Average Remaining Days</u>	<u>Average Interest</u>
<u>UBS Bonds</u>							
Federal Home Loan Bank Bond NTS	280,000	0.50%	0.50%	04/29/21	04/29/26	1,762	1,400

<u>Description</u>	<u>Par</u>	<u>Rate</u>	<u>Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Average Remaining Days</u>	<u>Average Interest</u>
<u>UBS Certificates of Deposit</u>							
Bank of China LTD NY US	200,000	0.10%	0.10%	10/29/20	07/29/21	28	200
UBS Bank UT US	200,000	0.10%	0.10%	10/21/20	10/21/21	112	200
Wells Fargo Bank NA SD US	200,000	1.75%	1.74%	10/27/16	11/02/21	123	3,500
State Bank of India NY US	200,000	2.25%	2.21%	01/30/17	02/09/22	223	4,500
Goldman Sachs Bank NY US	200,000	2.35%	2.27%	10/24/17	11/01/22	488	4,700
UBS BK USA SALT LA UT US	200,000	0.15%	0.15%	11/13/20	11/21/22	508	300
Synchrony Bank UT US	200,000	1.30%	1.27%	04/13/20	04/17/20	655	2,600
BMW BANK NORTH AME UT US	200,000	0.25%	0.25%	11/13/20	05/22/23	690	500
TIAA FSB Florida FL US	200,000	0.40%	0.40%	03/31/21	04/09/24	1,012	800
Sallie Mae Bank UT US	200,000	1.95%	1.85%	11/22/19	11/20/24	1,237	3,900
Morgan Stanley PRI NY US	245,000	1.70%	1.62%	04/01/20	03/05/25	1,343	4,165
	<b><u>\$ 2,245,000</u></b>					<b><u>584</u></b>	<b><u>\$ 25,365</u></b>

**NWD Total Cash and Investments**

**11,258,610**



SCV Water  
 Santa Clarita Water Division  
 Cash and Investment Summary  
 As of June 30, 2021

<b>SCWD*</b>	Balance	Percent of Total	Average Remaining Life Days	Weighted Avg. Yield
Retail Division Cash and Sweep	14,192,807	26.23%		0.01%
LAIF	15,091,239	27.89%	-	0.34%
FHLB	2,000,000	3.70%	1,430	0.69%
Wells Fargo Government I 1751 MMF	20,834,458	38.48%		0.01%
Wells Fargo Certificates of Deposit	2,000,000	3.70%	417	1.29%
<b>Total</b>	<b>54,118,504</b>	<b>100.00%</b>		
<b>Total Cash and Investment**</b>	<b>54,118,504</b>	<b>100.00%</b>		

\* See SCWD Portfolio on next page for detailed descriptions.

\*\* Total for SCWD includes estimated \$2,988,137 in refundable Developer Deposits.

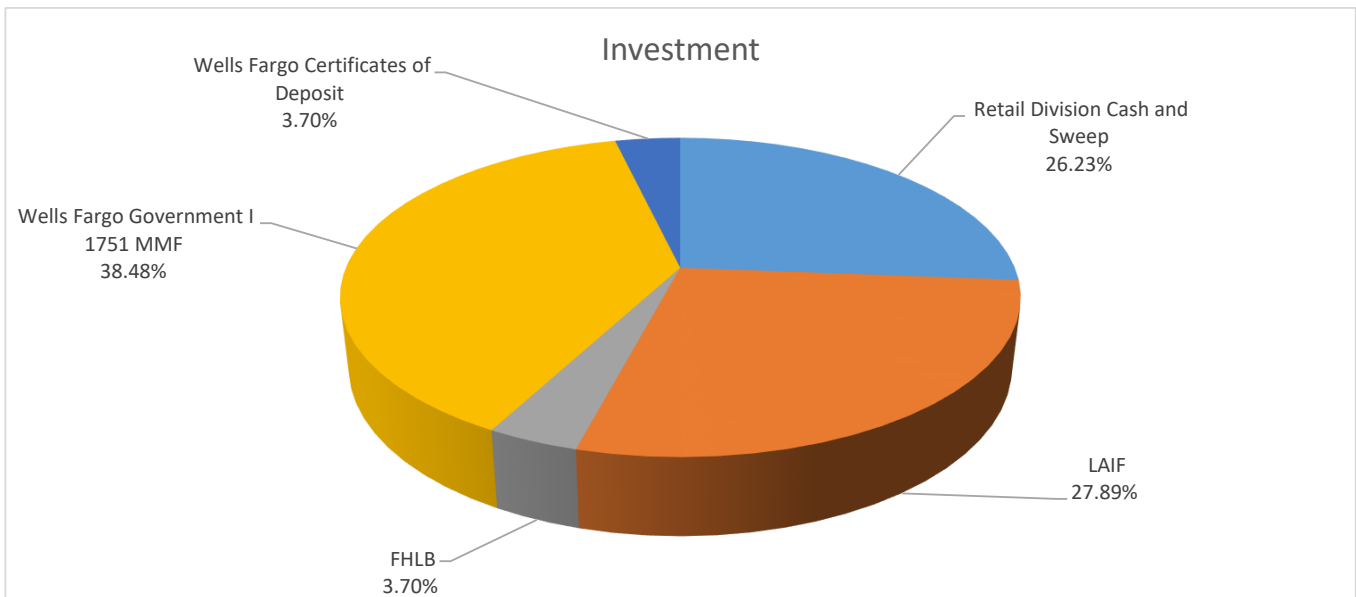
I certify that the investments of the Santa Clarita Water Division are in compliance with the Investment Policy as adopted by the Board of Directors, and that the Division has the ability to meet the expenditure requirements for the next 6 months.



Rochelle Patterson  
 Director of Finance and Administration/Treasurer



Elizabeth Ho  
 Accounting Manager



SCV Water  
Santa Clarita Water Division  
Cash and Investment Summary  
As of June 30, 2021

<u>Description</u>	<u>Balance</u>	<u>Rate</u>	<u>Yield</u>
Cash and Sweep (Cash in Bank)	14,192,807	0.01%	0.01%
Local Agency Investment Fund (LAIF)	15,091,239	0.34%	0.34%
Wells Fargo Government I 1751 Money Market Fund (MMF)	20,834,458	0.01%	0.01%
	<b><u>50,118,504</u></b>		

Note: Cash and Sweep, LAIF and Wells Fargo Money Market Fund are liquid investments.

<u>Description</u>	<u>Par</u>	<u>Rate</u>	<u>Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Life Days</u>	<u>Remaining Days</u>	<u>Average Interest</u>
<u>Federal Government Agency Investment Portfolio</u>								
Federal Home Loan Bank	2,000,000	0.69%	0.69%	06/10/21	06/10/25	1,460	1,430	13,800
	<b><u>2,000,000</u></b>						<b><u>1,430.00</u></b>	<b><u>\$ 13,800</u></b>

<u>Description</u>	<u>Par</u>	<u>Rate</u>	<u>Yield</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Life Days</u>	<u>Remaining Days</u>	<u>Average Interest</u>
<u>Wells Fargo Certificates of Deposit</u>								
First Internet Bank	250,000	2.20%	2.20%	12/18/17	12/17/21	931	170	5,500
Bank Hapoalim BM NY	250,000	0.10%	0.10%	12/23/20	12/23/21	365	179	250
Washington Trust Westerly	250,000	0.10%	0.10%	12/23/20	12/23/21	365	179	250
Sally Mae Bank/Salt Lke	250,000	2.60%	2.60%	04/10/19	04/11/22	1,046	285	6,500
American Express Bank FSB	250,000	2.35%	2.35%	05/03/17	05/03/22	1,068	307	5,875
Citibank	250,000	3.00%	3.00%	05/16/18	05/23/22	1,088	327	7,500
Webbank	250,000	0.10%	0.10%	12/28/20	12/28/22	730	546	250
Luana Savings Bank	250,000	0.25%	0.25%	12/30/20	07/01/24	1,521	1,339	625
	<b><u>2,000,000</u></b>						<b><u>417</u></b>	<b><u>\$ 25,875</u></b>

**SCWD Total Cash and Investments** **54,118,504**

**SCV WATER**  
**Valencia Water Division**  
**As of June 30, 2021**  
**Investment Report**

	Current Balance	Percent of Total	Average Remaining Life Days	Weighted Average Yield
Wells Fargo Cash and Sweep	\$7,960,886	33.4%	n/a	0.01%
LAIF	\$7,869,449	33.0%	n/a	26.20%
Certificates of Deposit	\$1,000,000	4.2%	269	2.29%
US Treasury Bill	\$1,000,000	4.2%	168	2.63%
Federal Bonds	\$6,000,000	25.2%	1193	0.36%
<b>Total Cash and Investment**</b>	<b><u>\$23,830,335</u></b>	<b><u>100.0%</u></b>		

\*\* Total for VWD includes estimated \$1,357,300 in refundable Developer Deposits.

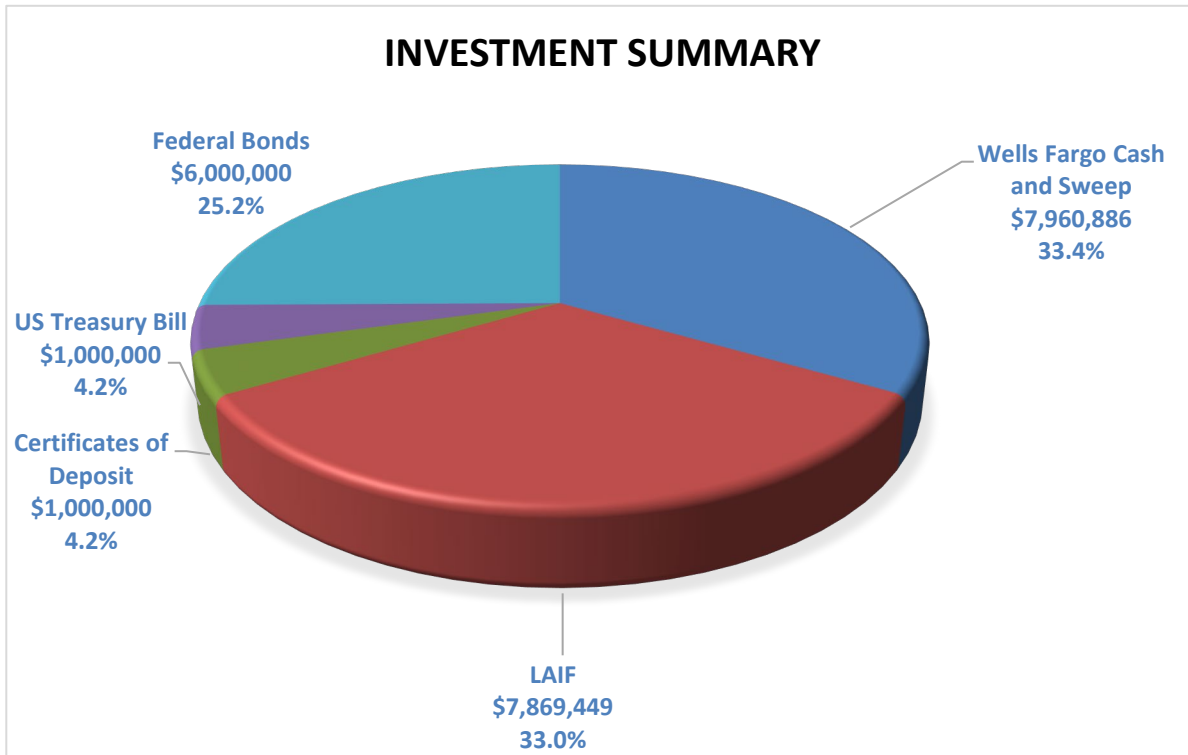
I certify that the investments of the Valencia Water Division are in compliance with the Investment Policy as adopted by the Board of Directors, and that the Division has the ability to meet the expenditure requirement for the next 6 months.



Rochelle Patterson  
 Director of Finance and Administration, Treasurer



Elizabeth Ho  
 Accounting Manager



SCV WATER  
Valencia Water Division  
Cash and Investment Summary  
As of June 30, 2021

Description	Balance	Rate	Yield				GASB 72 Fair Value Hierarchy	
Wells Fargo Cash and Sweep	7,960,886	0.01%	0.01%				2	
Local Agency Investment Fund (LAIF)	7,869,449	26.20%	26.20%				2	
	<u>15,830,335</u>							

Description	Par	Rate	Yield	Purchase Date	Maturity Date	Life Days	Remaining Days	Average Interest	GASB 72 Fair Value Hierarchy
6/30/2021									
<b>Certificates of Deposit</b>									
Stearns Bank NA	250,000	2.950%	2.950%	7/6/2018	7/6/2021	1096	6	7,375	1
WEX Bank Midvale Utah	250,000	1.500%	1.500%	3/9/2020	3/9/2022	730	252	3,750	1
Comenity Capital Bank	250,000	3.150%	3.150%	7/16/2018	7/18/2022	1463	383	7,875	1
Live Oak Bkg Co	250,000	1.550%	1.550%	3/6/2020	9/6/2022	914	433	3,875	1
	<u>1,000,000</u>						<u>269</u>	<u>22,875</u>	
<b>Federal Bonds</b>									
Federal Farm Credit Bank	2,000,000	0.180%	0.180%	1/13/2021	7/13/2023	911	743	3,600	1
Federal Home Loan Bank	2,000,000	0.400%	0.400%	2/26/2021	11/26/2024	1369	1245	8,000	1
Fannie Mae	2,000,000	0.500%	0.500%	11/12/2020	11/7/2025	1821	1591	10,000	1
	<u>6,000,000</u>						<u>1193</u>	<u>21,600</u>	
<b>US Treasury Bill</b>									
United States Treasury Note	1,000,000	2.625%	2.625%	12/17/2018	12/15/2021	1094	168	26,250	1
	<u>1,000,000</u>						<u>168</u>	<u>26,250</u>	
<b>VWD Total Cash and Investments</b>	<u><u>\$23,830,334.73</u></u>								

GASB 72 Fair Value Hierarchy:

Level 1 - inputs are quotes prices in active markets for identical assets.

Level 2- inputs are significant other observable inputs.

Level 3 - inputs are significant unobservable inputs.

# Credit Card Registers

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**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>1-800-FLOWERS.COM,INC.</b>	<b>75.20</b>
Sympathy flowers for Aggie Sanchez	75.20
<b>ABSOLUTE STANDARDS INC</b>	<b>130.00</b>
Custom standards/mix for Lab Dept.	130.00
<b>AC INFINITY</b>	<b>153.57</b>
Replacement fans	153.57
<b>ADMIN PRO FORUM CONFER</b>	<b>1,098.00</b>
Admin Pro Forum 2021- Registration - 05/20-05/21/21 - A. Jacobs	549.00
Admin Pro Forum 2021- Registration - 05/20-05/21/21 - T. Bell	549.00
<b>ADOBE ACROPRO SUBS</b>	<b>5,110.35</b>
Adobe licensing (2/27/21-3/26/21)	1,703.45
Adobe licensing (3/27/21-4/26/21)	1,703.45
Adobe licensing monthly dues	1,703.45
<b>ADOBE STOCK</b>	<b>239.97</b>
digital photo	159.98
digital photos - Adobe stock	79.99
<b>ALLIED ELECTRONICS INC</b>	<b>633.78</b>
Cooling Fans - ESIPS VFD Cabinets	633.78
<b>AMAZON.COM 2C02160J3</b>	<b>41.58</b>
Belkin 6-Outlet Surge Protector and Belkin 12-Outlet Surge Protector - SPLY/RVWTP	41.58
<b>AMAZON.COM 2L0871842 AMZN</b>	<b>64.12</b>
Pine Street - Supplies	64.12
<b>AMAZON.COM 2L0XP48H0</b>	<b>32.84</b>
Portable Heater - AJ/MGT	32.84
<b>AMAZON.COM 2L4UG4GW2 AMZN</b>	<b>10.19</b>
Kitchen Supplies	10.19
<b>AMAZON.COM 2L9948H20</b>	<b>15.52</b>
Ballpoint Pens - AJ/BD SEC, MGT	15.52
<b>AMAZON.COM 2L9N72VX2 AMZN</b>	<b>13.74</b>
Office Supplies	13.74
<b>AMAZON.COM 2R5CT13B2 AMZN</b>	<b>52.93</b>
Replacement Chair Mat for Kim G. Office	52.93
<b>AMAZON.COM 2R8NU9I01</b>	<b>123.92</b>
Office Supplies - paper	123.92
<b>AMAZON.COM 7K9KX3TC3 AMZN</b>	<b>70.30</b>
Supplies - WQ	70.30
<b>AMAZON.COM 7R41S44N3 AMZN</b>	<b>67.36</b>
Office supply	67.36
<b>AMAZON.COM 7U34A6QL3 AMZN</b>	<b>19.98</b>
Office Supplies	19.98
<b>AMAZON.COM 9Y6LL2KJ3</b>	<b>3,500.00</b>
Amazon Gift Cards- Employee Birthdays	3,500.00
<b>AMAZON.COM A26VG50I3 AMZN</b>	<b>45.90</b>
Small plastic boxes for Inspectors to make Testing kits	45.90
<b>AMAZON.COM BC4830VR3 AMZN</b>	<b>67.36</b>
Office Supplies	67.36
<b>AMAZON.COM CN8B03YL3 AMZN</b>	<b>207.72</b>
Canon Multifunction Fax for Reception Area - Rio Vista	207.72
<b>AMAZON.COM EA82A7UO3</b>	<b>61.75</b>
Office Supplies - Pine Street	61.75

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>AMAZON.COM GP7KS9W03</b>	<b>64.53</b>
Office Supplies - Pine Street	64.53
<b>AMAZON.COM GT7FB0513 AMZN</b>	<b>29.93</b>
Rat Bait for Booster Facilities	29.93
<b>AMAZON.COM HO3YV5QE3 AMZN</b>	<b>67.36</b>
Office supply	67.36
<b>AMAZON.COM JI20S3KX3</b>	<b>272.66</b>
Office Supplies - Pine Street	272.66
<b>AMAZON.COM LC7TU5M73 AMZN</b>	<b>531.00</b>
Supplies - WQ	531.00
<b>AMAZON.COM O50RQ3IZ3 AMZN</b>	<b>34.00</b>
Teas for Rio Vista Kitchen	34.00
<b>AMAZON.COM P89BT3U73 AMZN</b>	<b>15.24</b>
Belkin 7-Outlet Surge Protector - SPLY/RVWTP	15.24
<b>AMAZON.COM R88WI2SF3</b>	<b>140.94</b>
Frigidaire Water Filters, 3-Count - Rio Vista Kitchen Refrigerators	140.94
<b>AMAZON.COM VO83I4MP3</b>	<b>151.98</b>
New Propane Tank for Forklift S95	151.98
<b>AMERICAN LOAN MASTERS</b>	<b>218.00</b>
SPARE TRAILER TIRE FOR UNIT #i 107,BIG TEX TRAILER	218.00
<b>AMERICAN NATIONAL STANDAR</b>	<b>798.00</b>
Asset Management - ISO standards.	299.00
Asset Management ANSI Guide	499.00
<b>AMZN MKTP US</b>	<b>(41.85)</b>
Credit for Transaction # 5	(41.85)
<b>AMZN MKTP US 0V6206XM3</b>	<b>243.12</b>
Kitchen and Office Supplies	243.12
<b>AMZN MKTP US 2L5TH0G92</b>	<b>91.94</b>
Office Supplies for Elizabeth S and Dolores	91.94
<b>AMZN MKTP US 2L5XO2X82</b>	<b>47.10</b>
Office Supplies	47.10
<b>AMZN MKTP US 2L8011R10</b>	<b>43.20</b>
Office Supplies for Katie Fowler	43.20
<b>AMZN MKTP US 2L8066ZL1</b>	<b>591.52</b>
Phone Chargers , cables, and Sun Block for Non Inventory Stock	591.52
<b>AMZN MKTP US 2L8SQ5100</b>	<b>16.24</b>
Rubber dust caps for axels on Ditch Witch machines	16.24
<b>AMZN MKTP US 2R3PT73H1</b>	<b>15.97</b>
Office Supply for Katie Fowler	15.97
<b>AMZN MKTP US 2R59P72H1</b>	<b>41.85</b>
Replacement shaft for a Tool on Unit 10 But turned out to be the wrong one Credit on next	41.85
<b>AMZN MKTP US 371ZF6VB3</b>	<b>115.74</b>
Office Supplies	115.74
<b>AMZN MKTP US 5Q4NW0073</b>	<b>53.62</b>
5-Tab Binder Dividers, 25 Sets - LP/HR Dept	53.62
<b>AMZN MKTP US B90CW79O3 AM</b>	<b>28.35</b>
Flashlight and Batteries for unit 13	28.35
<b>AMZN MKTP US C82FE4MP3</b>	<b>20.86</b>
Kitchen Supplies	20.86



**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>AMZN MKTP US CF9WP3CY3 AM</b>	<b>87.55</b>
Computer Screen Riser for TB/MGT	87.55
<b>AMZN MKTP US GI2PM5TS3</b>	<b>15.08</b>
Kitchen Supplies	15.08
<b>AMZN MKTP US IN0Q941O3</b>	<b>175.39</b>
Dewalt Battery for Unit 25	175.39
<b>AMZN MKTP US KG1G98B33</b>	<b>22.77</b>
Wall File Holder - JH/MAINT Dept.	22.77
<b>AMZN MKTP US KR67K6DJ3</b>	<b>268.26</b>
Dewalt Battery for Unit 25	268.26
<b>AMZN MKTP US LB4HB56Q3</b>	<b>259.16</b>
Aluminum Wheel chocks for unit 7 10	259.16
<b>AMZN MKTP US LV2WB39C3</b>	<b>503.61</b>
Kitchen and Office Supplies	503.61
<b>AMZN MKTP US PG2DM5MI3</b>	<b>80.76</b>
Six Glass Powder Funnels - JM/ED Dept.	80.76
<b>AMZN MKTP US Q52M23GS3</b>	<b>38.30</b>
Clear Spray Bottles	38.30
<b>AMZN MKTP US SG30W4M33</b>	<b>75.56</b>
4 Round LED Brake, Stop ,Tail Lights	75.56
<b>AMZN MKTP US U72HR5YF3</b>	<b>3,219.00</b>
LED Lights for Bldgs and Grounds	3,219.00
<b>AMZN MKTP US UJ7VC2DW3</b>	<b>87.55</b>
Dual Monitor Stand - DC/FINANCE Dept.	87.55
<b>AMZN MKTP US VP00A1PL3</b>	<b>240.88</b>
Pressure Washer hose for ditch witch # S-99	240.88
<b>AMZN MKTP US X98DN2LP3</b>	<b>65.26</b>
Office Supplies - Pine Street	65.26
<b>AMZN MKTP US XG97O2HG3</b>	<b>670.39</b>
Back up cams	670.39
<b>AMZN MKTP US XO1E93TP3</b>	<b>20.91</b>
Kitchen Supplies	20.91
<b>AN CDJR VALENCIA</b>	<b>26.06</b>
Truck part	26.06
<b>APPLE.COM/BILL</b>	<b>114.92</b>
Bluebeam Revu app for iPad	9.99
Jump app for additional 6 Treatment iPads.	89.94
Jump app for Mike Desautels iPad.	14.99
<b>ASAP</b>	<b>89.00</b>
ASAP - Mastering Mtg Minutes through Outlook & OneNote - Registration	89.00
<b>ASCE CAREER CENTER</b>	<b>495.00</b>
American Society of Civil Engineers-Posted Agency Engineer position on their career site.	495.00
<b>ASPA</b>	<b>177.00</b>
Annual membership for American Society for Public Administration.	177.00

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>ASSOCIATION OF CALIFORNIA</b>	<b>3,950.00</b>
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - D. Marks	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Armitage	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Atkins	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Braunstein	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Cooper	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Kelly	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Martin	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - Director Plambeck	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - M. Stone	375.00
ACWA 2021 Spring Virtual Conference - Registration - 05/12-05/13/21 - S. Cole	375.00
ACWA DC2021 Washington DC Virtual Conference - Registration - 02/24-03/31/21 - Director	100.00
ACWA Zooming Through California - Registration - 06/23-09/22/21 - Director Cooper	100.00
<b>AURORA TRAINING ADVANT</b>	<b>399.00</b>
Annual, Unlimited Continuing Education Courses Registration	399.00
<b>AUTOZONE #4070</b>	<b>96.85</b>
Windshield wipers, fluid for truck #S41	96.85
<b>AV EQUIPMENT</b>	<b>24.14</b>
6.3 Gallons of propane.	24.14
<b>AWWA.ORG</b>	<b>1,021.70</b>
ACWA Water Operator Field Guide, Second Edition	652.70
AWWA Book for inspection.	294.00
AWWA Webinar - Communication is Key - Registration	75.00
<b>BEST BUY 00001131</b>	<b>516.66</b>
Apple chargers	418.13
Expanded network connections for IT lab.	98.53
<b>BESTBUYCOM806457207206</b>	<b>187.10</b>
SCADA Laptop accessories	187.10
<b>BESTBUYCOM806457364390</b>	<b>145.58</b>
Computer accessories for SCADA computer at Golden Triangle conference room.	145.58
<b>BOX, INC.</b>	<b>1,800.00</b>
File share	600.00
File sharing host	600.00
File sharing site subscription	600.00
<b>BROWN AND CALDWELL</b>	<b>400.00</b>
BCWater Engineering Job Posting 4/20/21 to 5/20/21	200.00
Fleet and Warehousing Supervisor Job Posting on BC Water	200.00
<b>BTS QUILL</b>	<b>517.25</b>
Office Supplies	517.25
<b>CA DTSC/BILLING</b>	<b>838.96</b>
WHITTAKER OFFSITE	838.96
<b>CALIFORNIA SOCIETY OF MUN</b>	<b>150.00</b>
CSMFO Training - Investment Accounting - Registration	150.00
<b>CA-NV SECTION, AWWA</b>	<b>1,040.00</b>
AWWA Continuing Education Courses - Inspectors	350.00
CA - NV Section - Leticia Q training	690.00
<b>CAPIO - CA ASSOCIATION OF</b>	<b>20.00</b>
Executing a Creative Outreach Campaign Webinar 6/16 - Registration	20.00

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>CARASOFT TECHNOLOGY CORP</b>	<b>5,274.69</b>
Zoom for Government Meeting licenses.	3,594.43
Zoom for Government Webinar.	1,680.26
<b>CAREERS IN GOVERNMENT</b>	<b>275.00</b>
ROW Agent Job Posting on Careers In Government	275.00
<b>CDW DIR #8711251</b>	<b>60.00</b>
Network fiber adapters for RV SCADA network communication. quantity 1 of 8 adapters	60.00
<b>CDW DIR #8733505</b>	<b>419.99</b>
Network fiber adapters for RV SCADA network communication. quantity 7 of 8 adapters.	419.99
<b>CHI CHI'S PIZZA</b>	<b>363.70</b>
Dinner for crew working a mainline repair	90.65
Engineering Dept. Lunch for Admin.Day	194.96
New employee lunch	78.09
<b>CORNER BAKERY 0208</b>	<b>374.10</b>
Summit CCare Relocation - welcome breakfast	374.10
<b>COSTCO DELIVERY 653</b>	<b>2,143.66</b>
Kitchen Supplies - Non Taxable - ED/Dept	30.34
Kitchen Supplies - Taxable - ESFP/RVWTP OPS	56.36
Membership Renewal	240.00
Office Supplies - Non - Taxable	157.50
Office Supplies - Non Taxable	512.24
Office Supplies - Non Taxable - ED Dept.	37.71
Office Supplies - Taxable	997.78
Office Supplies - Taxable - Maint/Dept	37.78
Office Supplies/Snacks - Non Taxable - BD SEC/MGT	73.95
<b>COSTCO WHSE #0447</b>	<b>195.41</b>
Kitchen Supplies	30.99
lunch for the Water System Operators	87.16
Office Supplies	77.26
<b>COSTCO WHSE #0762</b>	<b>42.97</b>
Pine Street - Supplies	42.97
<b>CQ-ROLL CALL INC.</b>	<b>467.00</b>
Congress At Your Fingertips	467.00
<b>CROSS BORDER TRANS FEE</b>	<b>15.42</b>
Transaction fee due to Doodle being located in Zurich.	10.74
Transaction fee for Kahoot program	4.68
<b>DAPPER DANS CARWASH</b>	<b>180.70</b>
Car wash for truck #S41	8.00
Car wash for truck S41	15.00
Carwash for N78 - No receipt, recurring bill	19.95
Ford explore card wash. Steve Coles old car.	8.00
Monthly Car Wash Fee	19.95
Monthly Carwash Dues	19.95
Pool wash N55	29.95
Pool washes	59.90
<b>DNH DOMAIN HOSTING SRVCS</b>	<b>248.31</b>
Domain name hosting, SSL certificate.	67.99
Domain name hosting.	8.68
Monthly domain name hosting.	8.68

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
Purchase of domain name DroughtReadySCV.com	81.48
Purchase of domain name DroughtSCV.com	81.48
<b>DNH DOMAIN NAME/HOSTING</b>	<b>608.65</b>
Domain name hosting.	8.68
SCADA server hosting.	599.97
<b>DNH DOMAIN/HOSTING</b>	<b>29.34</b>
Monthly domain name hosting.	29.34
<b>DNH SUCURI WEBSITE SECURI</b>	<b>29.97</b>
Agency Website Maintenance	9.99
SCV website maintenance	19.98
<b>DOCUSIGN</b>	<b>1,028.22</b>
DocuSign - electronic signature platform	300.00
HR DocuSign Account 9/14/2020 to 9/13/2021	1,080.00
Refund from DocuSign for upgrading the account to a business pro account. No receipt	(351.78)
<b>DOMINO'S 7877</b>	<b>223.40</b>
Dinner for crew working after hours leak	92.07
Pizza for easter main line leak	131.33
<b>DOMINO'S 8235</b>	<b>57.98</b>
Bought crew lunch worked on a Saturday replacing a 8" gate valve	57.98
<b>EDIBLE ARRANGEMENTS</b>	<b>125.36</b>
Admin appreciation	125.36
<b>EIG CONSTANTCONTACT.COM</b>	<b>945.00</b>
Digital eNews	315.00
eNews	630.00
<b>ENGINEERS BD</b>	<b>180.00</b>
J Yim Professional Engineer License Renewal	180.00
<b>EVEREST BURGERS</b>	<b>437.41</b>
April Birthday and Anniversary	222.03
February Birthday Anniversary	215.38
<b>EZGOLFCART</b>	<b>599.69</b>
Battery Charger for MPT800 Golf Cart requested by Robert Bradford/Buildings and Grounds	599.69
<b>FACEBK 5J63D5FKH2</b>	<b>25.00</b>
social media - Facebook Ads	25.00
<b>FACEBK PKA4L4FKH2</b>	<b>25.00</b>
social media messaging	25.00
<b>FASTENAL COMPANY 01CACSL</b>	<b>25.21</b>
Bolts washers	25.21
<b>FASTENAL COMPANY 01CAVAE</b>	<b>141.08</b>
Bolts for Allen.	57.10
Bolts, nuts, and washers.	53.43
Wedge anchors, and flash light.	30.55
<b>FEDEX 784294421217</b>	<b>36.27</b>
Shipping cost for sending back parts to cla-valve	36.27
<b>FEDEX 784386787945</b>	<b>40.74</b>
Notice of Award P2 Ridge Route - 3001079	40.74
<b>FEDEX 784430204224</b>	<b>10.17</b>
NOE S21-734 Ventura Co	10.17
<b>FEDEX 784430252465</b>	<b>10.17</b>
NOE S21-734 LA Co	10.17

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>FEDEX 787527974280</b>	<b>35.07</b>
Data External Hard Drive request from vendor DCSE	35.07
<b>FERGUSON ENT #616</b>	<b>73.97</b>
Stem H&C STD cadet	73.97
<b>FOOTHILL ELECTRIC MO</b>	<b>344.67</b>
Gate motor budget code 0011200000, acct. code 52075, project code RVWTPGDS	344.67
<b>GOVERNMENT FINANCE OFFICE</b>	<b>35.00</b>
Introduction to Infrastructure Management for Finance Managers Registration	35.00
<b>GRAINGER</b>	<b>358.38</b>
200lb Capacity magnets were purchased to hold rigid electrical pipe to a tank. Parts are being	273.55
Storage bins are being used to organize tools and materials on vehicle N61.	84.83
<b>HARBOR FREIGHT TOOLS 459</b>	<b>295.37</b>
#51	295.37
<b>HBR SUBSCRIPTION</b>	<b>180.00</b>
HBR Subscription	180.00
<b>HIRSCH PIPE &amp; SUPPLY 013</b>	<b>137.42</b>
Stink stoppers for drains at Rockefeller	137.42
<b>HOMEDEPOT.COM</b>	<b>850.38</b>
Filters for A/C	487.28
Parts for Trailer brakes on mobile equipment	82.17
Special Trash Bags for Asbestos Removal	280.93
<b>ID WHOLESALER</b>	<b>597.00</b>
Badge Printing Software	597.00
<b>IMS SUN VALLEY</b>	<b>114.93</b>
Metal to build Backflow cages	114.93
<b>IN N OUT BURGER 171</b>	<b>71.67</b>
Worked on a service leak on elder creek bought crew lunch	71.67
<b>INTERSTATE ALL BATTERY</b>	<b>953.18</b>
Golf cart batteries	953.18
<b>ISSUU</b>	<b>420.00</b>
publications	420.00
<b>JOHNSTONE SUPPLY VALENCIA</b>	<b>42.78</b>
T-stat cover	42.78
<b>KAHOOT! AS</b>	<b>468.00</b>
Program subscription for Education Department	468.00
<b>L2G EPIC-LA 626-458-4930</b>	<b>1,683.00</b>
25303 Wells Ct. County permit	561.00
25516 Wilde Ave	561.00
30636 Yosemite Dr.	561.00
<b>LA COCINA BAR AND GRILL</b>	<b>71.00</b>
Lunch Meeting - Met with BG staff to discuss organizational changes effective July 1, 2021	71.00
<b>LANGUAGE LINE, INC.</b>	<b>272.55</b>
Interpreter for Customer	51.35
Language translation	59.25
Translation Service	161.95
<b>LAWSON PRODUCTS</b>	<b>291.87</b>
Nuts and bolts restock for Maintenance Dept.	291.87

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

<b>Merchant Name and Description</b>	<b>Total</b>
<b>LINE-X OF SANTA CLARITA</b>	<b>4,401.93</b>
Installation of hitch on Unit I37 Truck	543.76
Line-X Protective Coating to Building and Grounds Dump Trailer Unit # 19.	3,858.17
<b>LOGMEIN GOTOMEETING</b>	<b>414.00</b>
LogMein- GoToMeeting Annual Renewal KG	197.00
LogMein- GoToMeeting Annual Renewal RP	197.00
LogMein GoToMeeting Monthly chg.	10.00
LogMeIn remote services fee	10.00
<b>LOGMEIN GOTOWEBINAR</b>	<b>2,028.00</b>
Goto Webinar - annual.	2,028.00
<b>LOGMEIN PRO2</b>	<b>839.99</b>
LogMeIn remote services	839.99
<b>LOWES #01510</b>	<b>5,677.18</b>
1/4 sockets and ratchets purchased for vehicle N61. Also, headlamps for maintenance at	273.63
2 folding creepers to get under the air handlers masks and glasses for safety.	168.54
20amp breaker is being used to power up the new U.P.S.	11.40
4 new batteries one for each BG with dewalt tools and a mag tip for calos.	321.89
Angle bit driver set was used to disassembly a fan at Earl Schmitt intake pump station	27.35
Antenna mount parts	96.85
Assorted Batteries - Truck I 58 stock	48.11
Ceiling tiles	929.98
Doorbell	54.70
extension cord for training room	7.21
Hardware - Truck I 58 drawer repair	21.42
Hose repair kit and connectors purchased for compressor stored at Rio Vista Electricians	(13.68)
Ice Chest, ice packs and temperature guns for sampling bacteria	279.95
Impact Sockets - Truck I58	14.19
Level And Surge Protector	42.10
Lights for Newhall warehouse	153.26
Microwave oven, duct tape, 2-propane tank exchange	184.95
Network cables and connectors	80.46
Network equipment for SCADA equipment support	203.14
new latch for upstairs door	12.02
new lights at in training room.	213.46
Paint brushes, sample paint, t-stat guard	36.55
Parts for air vac maintenance	33.78
Parts for Allen. Rags, trash bags, gloves ETC.	397.46
Parts for antenna	61.06
Patio heater, hose bib	204.74
Portable Vacuum and reciprocating saw bought for maintenance at Earl Schmitt Intake pump	391.99
Power strips and cord management Velcro straps for ESFP control room	216.74
S29 tools	39.38
Saw Bladed, Scissors - Truck I 58	42.07
Small hand tools truck 57	121.41
Snap ring pliers, pad locks, joint sockets ETC.	295.67
Spray paint, budget code 0011200000, acct. code 52075, project code RVWTPBDG	7.64
Supplies for antenna	119.86
Toilet parts, drill bits, screwdriver, bucket	122.46
Toilet supply lines	12.00
tools and clips for sign changing at various locations	150.23

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

<b>Merchant Name and Description</b>	<b>Total</b>
tools for guys	43.76
Tools were purchased for maintenance at ESIPS. they are being stored on vehicle N61	76.86
Warehouse antenna project	139.82
wire nuts to change ballast at Rockefeller, covers for electrical boxes in attic at RIO, pipe tape	32.77
<b>LOWES #01972</b>	<b>92.44</b>
Lost Canyon Booster parts	92.44
<b>LSL CPAS</b>	<b>25.00</b>
LSL CPAs - Virtual GASB Update 2021	25.00
<b>MARIA BONITA MEXICAN REST</b>	<b>116.19</b>
supervisor lunch meeting	116.19
<b>MCMASTER-CARR</b>	<b>1,676.28</b>
Air flow control valve.	81.75
Air powered rivet gun.	177.01
Desiccant, and brass fittings.	382.88
Dymo label tape.	44.78
O-ring.	15.91
O-rings.	35.46
Saw blades, and brackets.	607.25
Slings, and shackle.	308.10
Stainless steel wire.	23.14
<b>METRIC SPECIALTIES INC</b>	<b>30.00</b>
Tapping dye for the backhoe	30.00
<b>METRIX INSTRUMENTS</b>	<b>1,502.25</b>
Motor Vibration Switch requested by Marcel Margheritis./Electrical Instrumentation Dept	1,502.25
<b>NACE INTERNATIONAL</b>	<b>141.43</b>
NACE student manual and shipping for Shadi Bader.	141.43
<b>NEWHALL VALENCIA LOCK &amp;</b>	<b>15.00</b>
rebuild the lock on door	15.00
<b>NNA SERVICES LLC</b>	<b>972.63</b>
National Notary Four Year Membership - A. Jacobs	199.00
Notary classes as approved by Courtney Mael.	773.63
<b>OFFICE DEPOT #2263</b>	<b>391.07</b>
Office products for Craig Albertson and my desk. Label maker for N61.	224.67
Purchase of bankers boxes.	166.40
<b>OLIVE TERRACE CAFE</b>	<b>130.60</b>
Admin Lunch Meeting- R. Patterson, K. Grass, D. Conner, E. Dill & M. Colasanto	130.60
<b>OPC STATE WB FEE</b>	<b>10.70</b>
Service Fee to Process Payment to State Water Resources Control Board for S16-702 Storm	10.70
<b>O'REILLY AUTO PARTS 2822</b>	<b>16.41</b>
steering wheel cover unit #21	16.41
<b>O'REILLY AUTO PARTS 3797</b>	<b>138.76</b>
Ball and Hitch for B and G Lift trailer.	96.34
Dash And Glass Cleaner	19.68
Wiper Fluid, Cleaner - Truck I58	22.74
<b>PANERA BREAD #204228 O</b>	<b>164.67</b>
ESFP Washwater Return and Sludge Collection Systems Final Pre-Bid Review Meeting/LUNCH. Matt Elsner,Jehan Anketell,Jason Yim,Shadi Bader,Rafael Pulido,Dirk	164.67
<b>PARTY CITY 1517</b>	<b>43.19</b>
Jim Weiherer retirement paper goods	43.19



**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>PATTONS METAL WORKING SOL</b>	<b>232.14</b>
Steel plate	232.14
<b>PAYPAL ASSOCIATION</b>	<b>280.00</b>
Association of Water Agencies Educational Program	28.00
Association of Water Agencies Educational Program - Registration	28.00
AWA WaterWise Breakfast Meeting - Registration - 04/15/21 - Director Armitage	28.00
AWA WaterWise Breakfast Series - Registration - 03/18/21 - Director Orzechowski	28.00
CCWUC Educational Training - Registration - 04/28/21 - Director Armitage	28.00
CCWUC Educational Training - Registration - 04/28/21 - Director Atkins	28.00
CCWUC Educational Training - Registration - 04/28/21 - Director Gladbach	28.00
CCWUC Virtual Training--New NPDES MS4 Agreement - K Abercrombie	28.00
WaterWise Virtual Meeting - Registration - 05/20/21 - Director Braunstein	28.00
WaterWise Virtual Meeting - Registration - 05/20/21 - Director Orzechowski	28.00
<b>PAYPAL TAMTRAINING</b>	<b>3,600.00</b>
Advanced Oracle training for Marianne Wassef.	3,600.00
<b>PAYPAL TOOLOTS INC</b>	<b>122.84</b>
Small Hand tools for service trucks	122.84
<b>PAYPAL WOMENSCONF</b>	<b>25.00</b>
LA Co Women's Conference	25.00
<b>PEPBOYS STORE 808</b>	<b>370.04</b>
Lock purchased for N61 receiver hitch.	25.17
Minor maintenance parts purchased for N61. Wiper blades, windshield washer fluid and lights	221.86
Truck maintenance	25.59
Windshield wipers for truck I67	97.42
<b>PICMONKEY LLC</b>	<b>107.88</b>
Social Media Tool	107.88
<b>PIHRA</b>	<b>125.00</b>
PIHRA Renewal Membership-Ari Mantis	125.00
<b>PITNEY BOWES PI</b>	<b>654.73</b>
Meter Rental 1/1/21-3/31/21	295.66
Postage Supplies	203.35
Service Agreement 10/1/20-3/31/21	155.72
<b>PRAXAIR DIST INC 70163</b>	<b>1,039.93</b>
Grinding disc	88.62
Metal saw blade and welding supplies	367.15
welding gun, welding tips	264.12
Welding tank	320.04
<b>PROJECT MGMT INSTITUTE</b>	<b>150.00</b>
NACE membership renewal for Shadi Bader.	150.00
<b>RALPHS #0147</b>	<b>200.47</b>
Vending Machine Supplies	200.47
<b>REGISTER@FAA 33XW94P</b>	<b>5.00</b>
Drone registration.	5.00



**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>REPUBLIC SERVICES TRASH</b>	<b>3,548.32</b>
20YD RENTAL MARCH	87.15
20yd Rental/Service April	536.07
20YD RENTAL/SERVICE FEB	366.20
3YD RENTAL APRIL	320.44
3YD RENTAL MARCH	320.44
3yd Rental May	334.86
40YD RENTAL MARCH	208.58
40yd Rental/Service April	669.19
40YD RENTAL/SERVICE FEB	705.39
<b>RESIDENCE INN DOWNTOWN</b>	<b>124.55</b>
Michael Coles T5 exam - Sacramento	124.55
<b>REV.COM</b>	<b>215.85</b>
online video	215.85
<b>RSTUDIO PBC</b>	<b>39.00</b>
Rstudio.com Monthly Fee	39.00
<b>SAMS CLUB #4824</b>	<b>829.82</b>
Office Supplies	317.88
Vending Machine Supplies	511.94
<b>SAMSClub #4824</b>	<b>586.36</b>
Office supply	315.00
Purchase of bottled water for Child and Family and Salvation Army events	155.52
Vending Machine Supplies	115.84
<b>SANTA CLARITA VALLEY CHAM</b>	<b>1,875.00</b>
13th Annual State of the County - Registration - 07/28/21 - Director Ford	75.00
13th Annual State of the County - Registration - Directors Cooper, Martin, Braunstein	225.00
13th Annual State of the County - Registration - K. Martin	75.00
SCV Chamber of Commerce Corporate Silver Membership	1,500.00
<b>SC AUTO AIR</b>	<b>1,711.42</b>
Battery- S. Cole's Company Vehicle	143.43
Repairs to unit N78	917.95
repairs to unit N79 - Steve Coles car	650.04
<b>SCPMA-HR</b>	<b>150.00</b>
SCPMA HR Annual Virtual Conference- Ari Mantis Registration	75.00
SCPMA HR Annual Virtual Conference- JoAnna Brison Registration	75.00
<b>SCVEDC</b>	<b>780.00</b>
2021 Economic Outlook Forecast - Registration - 03/26/21 - D. Conner	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Armitage	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Atkins	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Cooper	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Ford	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Gladbach	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Martin	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Mortensen	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - Director Plambeck	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - E. Campbell	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - K. Martin	65.00
2021 Economic Outlook Forecast - Registration - 03/26/21 - R. Patterson	65.00
<b>SMART AND FINAL 483</b>	<b>445.36</b>
KITCHEN / OFFICE SUPPLIES	379.49

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
Vending Machine Supplies	65.87
<b>SMARTDRAW SOFTWARE LLC</b>	<b>238.80</b>
SmartDraw Software 2020 Windows Edition	119.40
Software for Org Charts for Budget	119.40
<b>SMK SURVEYMONKEY.COM</b>	<b>900.00</b>
Public Outreach	900.00
<b>SO CAL TURF &amp; TRACTOR</b>	<b>185.35</b>
Parts for Unit I31 Tractor	185.35
<b>SOUTHWES 5262372225374</b>	<b>11.20</b>
Personal Expense - Charged to P-Card in Error. Reimb agency with check on 5/6/21	11.20
<b>SOUTHWES 5262372225375</b>	<b>11.20</b>
Personal Expense - Charged to P-Card in Error. Reimb agency with check on 5/6/21	11.20
<b>SOUTHWES 5262372225377</b>	<b>11.20</b>
Personal Expense - Charged to P-Card in Error. Reimb agency with check on 5/6/21	11.20
<b>SOUTHWES 5262372229138</b>	<b>11.20</b>
Personal Expense - Charged to P-Card in Error. Reimb agency with check on 5/6/21	11.20
<b>SOUTHWES 5262372229139</b>	<b>11.20</b>
Personal Expense - Charged to P-Card in Error. Reimb agency with check on 5/6/21	11.20
<b>SOUTHWES 5262372229140</b>	<b>11.20</b>
Personal Expense - Charged to P-Card in Error. Reimb agency with check on 5/6/21	11.20
<b>SP ACLICKAWAYREMOTES</b>	<b>1,785.76</b>
Clickers requested by Chris Alexander/Buildings and Grounds Dept	1,785.76
<b>SP BNI BUILDING NEWS</b>	<b>827.57</b>
2019 Watchbooks	560.96
2021 Greenbook	266.61
<b>SP MAXX LEVERAGE</b>	<b>186.00</b>
Leverage Tool for Unit 7 , 10 , 44	186.00
<b>SP SPRAYERDEPOT</b>	<b>447.19</b>
Hose Swivels	447.19
<b>SPUDNUTS BAKERY CROISSANT</b>	<b>73.10</b>
Rockefeller safety meeting snacks	27.86
Rockefeller Safety Meeting snacks April 1, 2021	27.13
Snacks - Safety tailgate meeting with Staff.	18.11
<b>SPUMONI RESTAURANT</b>	<b>133.17</b>
Supervisor lunch meeting	133.17
<b>STATE WATER BOARD</b>	<b>465.00</b>
Storm Water Application for S16-702 Cherry Willow Tank Site	465.00
<b>STONEFIRE GRILL - 1</b>	<b>125.50</b>
B&G Welcome to F&A Lunch- R. Hensely, C. Alexander, C. Soto, R. Bradford, J. Mak & R.	125.50
<b>STONEFIRE GRILL - 1 - CAT</b>	<b>4,088.34</b>
Golden - all employee lunch	468.91
Golden - tip	100.00
Pine - all employee lunch	825.10
Pine - tip	165.02
Rio - all employee lunch	1,174.17
Rio - tip	110.00
Rock - all employee lunch	557.09
Rock - tip	100.00
Summit - all employee lunch	488.05
Summit - tip	100.00

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>SUPPLYHOUSE.COM</b>	<b>163.81</b>
Plumbers Tape for crews	163.81
<b>THE HOME DEPOT #0653</b>	<b>714.80</b>
5 Gallon bucket and lid purchased for trash on N61.	11.99
Bolt Cutters were used to cut an old lock and will be staying on vehicle N61.	54.72
Bolt was used for mounting SCADA cabinet at Pinetree Well 3	1.01
Breakers and fuses are for the UPS cabinets being installed at tank sites.	33.72
Bucked lid parts holders	42.15
Cleaning Supplies - Rodent Cleanup - Instrumentation Cabinet	24.40
Knife to cut old tiles out at summit	24.02
Patch for holes from old cameras at summit	6.88
Purchased small tools for work vehicle N61 stock	42.65
Surge Protector for Summit Circle	40.49
Tape, Glue , supplies for the warehouse	64.21
tiles for control room remodel at Schmidt	153.87
Tool Pouch for Unit 13	32.82
Tools and parts for unit 25	140.24
Tools and supplies for crew truck	41.63
<b>THE HOME DEPOT #1055</b>	<b>2,590.46</b>
6 foot camjam	32.78
Aluminum cutting blades for N61.	24.47
Batteries to be stored on vehicle N61. Are being used for small electrical devices such as head	46.97
Boder Flush	126.76
Bottle jack	54.73
Brush, dust pan, and vacuum.	182.12
Cable tie for ESIPS	62.96
Double stick tape and black marker.	21.26
Drill bit for putting a hole in a concrete vault lid	141.26
Drill bit for vault lid	168.60
Drill bits, Head light	52.49
Extension cords and Tape Measure	170.61
Hardware purchased for mounting the SCADA cabinet at Pinetree well 3	9.46
Lock for AUMA valves at Sand Cyn.Res.	15.29
Magnetic bowl, padlocks, cutters, ETC.	132.39
Masking Tape, Duct Tape - Truck I58 stock	20.94
Masonry Drill Bits - Truck I58	45.92
Padlocks	40.48
Painting supplies for the new chlorine scrubber	143.97
Parts for bins truck I67	53.56
parts to repair hose for pressure washer	20.43
Purchased several cleaning supplies for maintenance at ESIPS	141.90
Shop Vac - Truck I58	132.13
Single gang box and cover	13.55
Single gang box and cover were purchased for the DWR vault sump pump.	63.37
Single Gang Cover And single Gang Box	23.31
Small bins for truck I67 parts	43.70
Storage bins are for N61 to organize small parts.	69.95
tools for guys	118.42
Tools for N58	75.48
tools for truck I67	167.21

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
Ugly's Electrical Reference book and Split loom	21.75
Wire for ESIPS	152.24
<b>THE HOME DEPOT 1055</b>	<b>2,875.74</b>
Casters	94.84
DeWalt Battery Charger for power tools	97.46
Drill and impact	366.75
Electric parts	84.34
Galvanized wire	94.59
hoses for Chad at ESFP	100.63
Jigsaw and blades purchased for U.P.S. project also aluminum skilsaw blades.	318.42
Rat Poison for switch gear at ESFP	84.09
Replaced broken extension ladder on crew truck N#78 turned in receipt	316.46
SDS bits stored on vehicle N61 and are used to drill holes for anchors. Small blower for after	282.73
Small hand tools truck 57	208.04
Supplies for ceiling tiles at Schmidt.	368.58
Tool for meters	458.81
<b>THE HOME DEPOT 653</b>	<b>2,268.78</b>
Lights for Newhall warehouse	623.36
Materials to remodel Golden Triangle bathroom	467.70
Paint supplies for hydrants and misc. tools for utility truck	89.52
Scaffolding	201.48
This card was reported stolen - Charge being disputed.	249.66
TOOLS / SUPPLIES FOR CREW VWD	239.71
Tools for Unit #4	397.35
<b>THE MOTOR CONTROL CENTER</b>	<b>113.79</b>
Auxiliary Contacts - Reclaimed Water Pump Controls	113.79
<b>THE ORIGINAL SAUGUS CAFE</b>	<b>682.48</b>
Monthly Birthday and Anniversary January, February and March 2021	682.48
<b>TIGER SUPPLIES</b>	<b>153.55</b>
chargers for guys	153.55
<b>TOPPERS PIZZA PLACE VALEN</b>	<b>458.04</b>
Jim Weiherer retirement lunch and tip	352.15
Lunch Staff meeting to welcome Jessica- Maintenance Dept.	105.89
<b>TPX COMMUNICATIONS</b>	<b>4,210.67</b>
RVWTP SRVC 2/16-3/15	1,998.25
RVWTP SRVC 3/16-4/15	1,108.25
RVWTP SRVC 4/16-5/15	1,104.17
<b>TRACTOR SUPPLY #2264</b>	<b>708.89</b>
Receiver	41.60
Returned items that were not the proper fitment for Unit # i37 vehicle.	(136.85)
Tool box.	383.24
TOOLS SUPPLIES UNIT #I37 - Stock	420.90
<b>TRADER JOE'S #013 QPS</b>	<b>378.22</b>
Summit CCare Relocation - welcome baskets	378.22
<b>TRAFFIC MANAGEMENT - NEW</b>	<b>60.36</b>
Custom Signs (2-signs)	60.36
<b>TRANSLATION AZ</b>	<b>100.00</b>
Translation for CCR bill insert	100.00
<b>TROEMNER LLC</b>	<b>1,169.10</b>
Weight Calibration requested by Jeff Koelewyn/Lab Dept.	1,169.10

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

Merchant Name and Description	Total
<b>TST MARSTON S</b>	<b>58.84</b>
Ops admin lunch	58.84
<b>TST NOTHING BUNDT CAKES</b>	<b>88.00</b>
Jim Weiherer retirement dessert	88.00
<b>TYCON SYSTEMS INC</b>	<b>414.01</b>
24VDC power injectors for SCADA radios.	414.01
<b>USPS PO 0557840550</b>	<b>7.70</b>
Postage	7.70
<b>USPS PO 0569500155</b>	<b>37.35</b>
Postage for correspondence with Cal-OSHA stamps	26.35 11.00
<b>VALLEY INDUSTRIAL ASSOCIA</b>	<b>544.00</b>
VIA Active Shooter Awareness II - Registration - 05/18/21 - Director Atkins	15.00
VIA Leadership Program - Refund Charged Twice - 05/07/21 - A. Jacobs	(499.00)
VIA Leadership Program - Registration - 05/07/21 6 weeks - A. Jacobs	998.00
VIA Virtual Series - Registration - 03/16/21 - Director Kelly	15.00
VIA Virtual Series May - Registration - 04/20/21 - D. Marks	15.00
<b>VANAIR MANUFACTURING INC</b>	<b>474.98</b>
Oils, Filters, Parts, for PM Maintenance on compressor mounted on unit 19	419.00
Shipping costs for parts above	55.98
<b>VARIDESK 1800 207 2587</b>	<b>591.30</b>
Purchase of varidesk monitor arms. No invoice was generated as we cancelled the order.	427.05
Refund as we found arms in our inventory and cancelled our order.	(427.05)
VariDesk - Safety - Aaron Southard	591.30
<b>VENDING</b>	<b>210.50</b>
New Control Panel for the Vending Machine	210.50
<b>VERIZONWRLSS RTCCR VB</b>	<b>51,334.50</b>
CIMIS 1/11-2/10/21	38.01
CIMIS 2/11-3/10	38.01
CIMIS 3/11-4/10	38.01
EQUIPMENT 1/11-2/10/21	489.12
EQUIPMENT 2/11-3/10	9,721.92
Equipment 3/11-4/10	679.75
SERVICE 1/11-12/10/21	13,251.81
SERVICE 2/11-3/10	13,562.95
Service 3/11-4/10/21	13,514.92
<b>VONS #2034</b>	<b>27.43</b>
Drinks for ESFP Washwater Return and Sludge Collection Systems Final Pre-Bid Review	27.43
<b>WATER INFORMATION SHARI</b>	<b>2,099.00</b>
WaterISAC annual membership.	2,099.00
<b>WESTERN REGION IPMA-HR</b>	<b>79.00</b>
IPMA Western Region 2021 HR Annual Virtual Conference- Ari Mantis	79.00
<b>WM SUPERCENTER #3523</b>	<b>349.39</b>
Jim Weiherer retirement supplies and gift cards	349.39
<b>WM SUPERCENTER #5162</b>	<b>170.43</b>
Sunblock	170.43
<b>WPONCALL.COM</b>	<b>147.00</b>
GSA Website	147.00
<b>WSJ CONFERENCES</b>	<b>150.00</b>

**SCV Water - Regional Division  
Credit Card Charges  
Paid in April - June 2021**

<b>Merchant Name and Description</b>	<b>Total</b>
Cybersecurity seminar J. Herbert	75.00
Risk/Compliance Seminar - Registration	75.00
<b>WWW.DOODLE.COM</b>	<b>1,074.00</b>
Doodle, web-based meeting coordination tool.	1,074.00
<b>YOURMEMBER-CAREERS</b>	<b>778.00</b>
AWWA Career Center-Posted the Agency Engineer position on their career site.	399.00
ROW Agent Job Posting on IRWA	379.00
<b>ZAZZLE INC</b>	<b>9.95</b>
Monthly membership - cancelled.	9.95
<b>ZOOM.US 888-799-9666</b>	<b>599.60</b>
HR Zoom Renewal 05202021-05202022	599.60
<b>Grand Total</b>	<b>176,665.96</b>

**NWD Credit Card Register - American Express**

**For the month ending April 30, 2021**

<b>Merchant Name</b>	<b>Description</b>	
Amazon.com	Office Supplies	130.31
GoDaddy.com	Web Hosting	2.99
EIG*Constant Contact	Monthly Electronic Newsletter Database	125.00
WEB*Networksolutions	Web Hosting & Web Forwarding	13.98
<b>Total American Express</b>		<b>272.28</b>

**For the month ending May 31, 2021**

<b>Merchant Name</b>	<b>Description</b>	
Amazon.com	Office Supplies	41.36
Smartdraw Software	Software Program	69.95
GoDaddy.com	Web Hosting	2.99
EIG*Constant Contact	Monthly Electronic Newsletter Database	125.00
WEB*Networksolutions	Web Hosting & Web Forwarding	13.98
<b>Total American Express</b>		<b>253.28</b>

**For the month ending June 30, 2021**

Amazon.com	Office Supplies	51.48
GoDaddy.com	Web Hosting	2.99
EIG*Constant Contact	Monthly Electronic Newsletter Database	125.00
WEB*Networksolutions	Web Hosting & Web Forwarding	13.98
Engage Markido Inc	Engage Licenses (1 year 6/21 - 6/22) IT	945.00
<b>Total American Express</b>		<b>1,138.45</b>

**NWD FY 2021 Quarter 4 Total: \$ 1,664.01**

**SCV WATER**  
Santa Clarita Water Division  
Credit Card Register  
From: April 1, 2021 - April 30, 2021

Merchant Name	Description	Amount
Amazon.com	Rat Bait for Booster Facilities	29.93
	Kitchen Supplies- Summit Circle	20.86
	Kitchen and Office Supplies- Summit Circle	503.61
	Kitchen Supplies- Summit Circle	20.91
	Kitchen and Office Supplies- Summit Circle	243.12
	Office Supplies- Summit Circle	19.98
	Kitchen Supplies- Summit Circle	15.08
	Office Supplies- Summit Circle	115.74
	Office Supplies - Pine Street	65.26
	Office Supplies - Pine Street	61.75
	Clear Spray Bottles- Golden Triangle	38.30
	Aluminum Wheel Chocks for Unit # 7 & 10	259.16
	New Propane Tank for Forklift Unit # S95	151.98
	Dewalt Battery for Unit # 25	175.39
	Dewalt Battery for Unit # 25	268.26
4 Round LED Brake, Stop ,Tail Lights	75.56	
<b>Amazon.com</b>		<b>\$2,064.89</b>
Apple.com	Bluebeam Revu App for iPad	9.99
<b>Apple.com</b>		<b>\$9.99</b>
BNI Building News	2021 Greenbook- Golden Triangle	266.61
<b>BNI Building News</b>		<b>\$266.61</b>
BTS Quill	Office Supplies- Summit Circle	517.25
<b>BTS Quill</b>		<b>\$517.25</b>
Chi Chi's Pizza	Dinner for Crew Working a Mainline Repair	90.65
<b>Chi Chi's Pizza</b>		<b>\$90.65</b>
Dapper Dans Car Wash	Car Wash for Unit # S41	15.00
<b>Dapper Dans Car Wash</b>		<b>\$15.00</b>
Home Depot	Tools for Unit #4	397.35
	Tools and Parts for Unit # 25	140.24
	Special Trash Bags for Asbestos Removal	280.93
	Tool Pouch for Unit # 13	32.82
<b>Home Depot</b>		<b>\$851.34</b>
Lowe's	Lost Canyon Booster Parts	92.44
	Unit# S29 Tools	39.38
<b>Lowe's</b>		<b>\$131.82</b>
Maxx Leverage	Leverage Tool for Unit # 7 , 10 , 44	186.00
<b>Maxx Leverage</b>		<b>\$186.00</b>
OPC State Water Board Fee	Service Fee to Process Payment to State Water Resources Control Board for S16-702 Storm Water Application	10.70
<b>OPC State Water Board Fee</b>		<b>\$10.70</b>
Residence Inn Downtown	Michael Coles T5 Exam - Sacramento	124.55
<b>Residence Inn Downtown</b>		<b>\$124.55</b>
Saugus Café	Monthly Birthday and Anniversary January, February and March 2021	682.48
<b>Saugus Café</b>		<b>\$682.48</b>
Spumoni Restaurant	Supervisor Lunch Meeting	133.17
<b>Spumoni Restaurant</b>		<b>\$133.17</b>
State Water Board	Storm Water Application for S16-702 Cherry Willow Tank Site	465.00
<b>State Water Board</b>		<b>\$465.00</b>
Tycon Systems Inc	24VDC Power Injectors for SCADA Radios	414.01
<b>Tycon Systems Inc</b>		<b>\$414.01</b>
<b>CREDIT CARD GRAND TOTAL</b>		<b>\$5,963.46</b>



**SCV WATER**  
Santa Clarita Water Division  
Credit Card Register  
From: May 1, 2021 - May 31, 2021

<b>Merchant Name</b>	<b>Description</b>	<b>Amount</b>
Amazon.com	Kitchen Supplies- Summit Circle	10.19
	Office Supplies- Summit Circle	91.94
	Office Supplies- Summit Circle	47.10
	Office Supplies- Summit Circle	13.74
	Office Supplies- Summit Circle	15.97
	Office Supplies- Summit Circle	43.20
	Office Supplies- Summit Circle	123.92
	Office Supplies- Pine Street	64.12
	Flashlight and Batteries for Unit# 13	28.35
	Phone Chargers , Cables and Sun Block for Non Inventory Stock	591.52
	Pressure Washer Hose for Unit # S99	240.88
	Rubber Dust Caps for Axels on Ditch Witch Machines	16.24
<b>Amazon.com</b>		<b>1,287.17</b>
Best Buy	SCADA Laptop Accessories	27.34
	SCADA Laptop accessories	159.76
	Computer Accessories SCADA Computer at Golden Triangle Conference Room	59.12
	Computer Accessories SCADA Computer at Golden Triangle Conference Room	86.46
<b>Best Buy</b>		<b>332.68</b>
Costco	Supplies- Pine Street	42.97
<b>Costco</b>		<b>42.97</b>
Domino's	Meal for Crew	92.07
<b>Domino's</b>		<b>92.07</b>
Everest Burgers	April Birthday and Anniversary	222.03
	May Birthday and Anniversary	230.93
<b>Everest Burgers</b>		<b>452.96</b>
Lowe's	Tools and Clips for Sign Changing at Various Locations	150.23
	Parts for Air Vac Maintenance	33.78
<b>Lowe's</b>		<b>184.01</b>
Maria Bonita	Supervisor Lunch Meeting	116.19
<b>Maria Bonita</b>		<b>116.19</b>
Marston's	Operations Administration Lunch	58.84
<b>Marston's</b>		<b>58.84</b>
O'Reilly Auto Parts	Steering Wheel Cover Unit #S21	16.41
<b>O'Reilly Auto Parts</b>		<b>16.41</b>
Paypal	CCWUC Virtual Training--New NPDES MS4 Agreement - K Abercrombie	28.00
<b>Paypal</b>		<b>28.00</b>
The Home Depot	Materials to Remodel Golden Triangle Bathroom	467.70
<b>The Home Depot</b>		<b>467.70</b>
Translation AZ	Translation for CCR Bill Insert	100.00
<b>Translation AZ</b>		<b>100.00</b>
<b>CREDIT CARD GRAND TOTAL</b>		<b>3,179.00</b>

**SCV WATER**  
Santa Clarita Water Division  
Credit Card Register  
From: June 1, 2021 - June 30, 2021

Merchant Name	Description	Amount
Amazon.com	Paper for ESS	123.92
	Office Supplies - Pine Street Warehouse	158.26
	Office Supplies - Pine Street Warehouse	56.93
	Office Supplies - Pine Street	64.59
	Office Supplies - Pine Street	43.79
	Office Supplies - Pine Street	17.51
<b>Amazon.com</b>		<b>465.00</b>
Auto Desk	Autodesk Annual Renewal for ESS and Field Phone App	50.00
<b>Auto Desk</b>		<b>50.00</b>
Best Buy	Laptop Battery Charger	153.29
<b>Best Buy</b>		<b>153.29</b>
Chi Chi Pizza	Lunch meeting to discuss Jims Performance Evaluation	35.65
<b>Chi Chi Pizza</b>		<b>35.65</b>
Dapper Dan	Car Wash for Truck #S41	10.00
<b>Dapper Dan</b>		<b>10.00</b>
DESERT INDUSTRIAL SUPP	PVC Cutter for Crew Truck	104.24
<b>DESERT INDUSTRIAL SUPP</b>		<b>104.24</b>
Fed Ex	Air Monitor Repair Shipping	16.56
<b>Fed Ex</b>		<b>16.56</b>
Flame & Skewers	Excavation Training Lunch Delivery Fee	30.00
	Excavation Training Lunch	325.22
	Excavation Training Lunch	355.22
<b>Flame &amp; Skewers</b>		<b>710.44</b>
Gyromania	Lunch meeting to discuss Josephines Performance Evaluation	29.08
<b>Gyromania</b>		<b>29.08</b>
Home Depot	Tools for Crew Truck	273.74
<b>Home Depot</b>		<b>273.74</b>
Kleen Rite Corp	Vehicle Air Fresheners	95.69
<b>Kleen Rite Corp</b>		<b>95.69</b>
Pho Viet	Lunch meeting to discuss Rays Performance Evaluation	27.47
<b>Pho Viet</b>		<b>27.47</b>
Pitney Bowes	Red Ink for Pitney Bowes Mail Machine	136.93
<b>Pitney Bowes</b>		<b>136.93</b>
Rattlers Bar B Que	Lunch meeting to discuss Estellas Performance Evaluation	33.22
	Lunch meeting to discuss Elaine and Monas Performance Evaluations	70.14
	Employee Training	63.39
<b>Rattlers Bar B Que</b>		<b>166.75</b>
Royal Tandoor	Lunch meeting to discuss Narisas Performance Evaluation	37.24
<b>Royal Tandoor</b>		<b>37.24</b>
Schooners Patio Grille	Meeting Adam P.	72.44
<b>Schooners Patio Grille</b>		<b>72.44</b>
Smart & Final	Excavation Training	157.04
<b>Smart &amp; Final</b>		<b>157.04</b>
SQ Rick Bentley	Flange Lip Removed	225.00
<b>SQ Rick Bentley</b>		<b>225.00</b>
Tycon Systems Inc.	24vdc Radio Power Injectors.	406.00
<b>Tycon Systems Inc.</b>		<b>406.00</b>
USC FCCC Online	USC Foundation Cross Connection Backflow Workshop for Inspector Chris Saenz	175.00
<b>USC FCCC Online</b>		<b>175.00</b>
Western Bagel	Excavation Training Breakfast	42.00
	Excavation Training Breakfast	42.00
	New Employee Luncheon	56.25
<b>USC FCCC Online</b>		<b>140.25</b>
<b>CREDIT CARD GRAND TOTAL</b>		<b>3,487.81</b>

SCV WATER - Valencia Water Division  
Credit Card Register  
From: April 1, 2021 - June 30, 2021

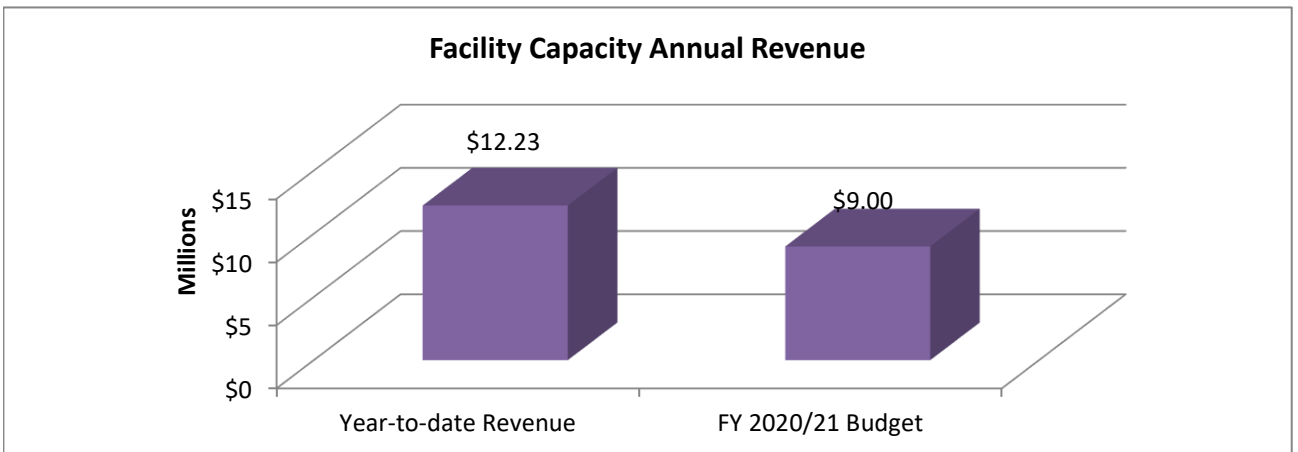
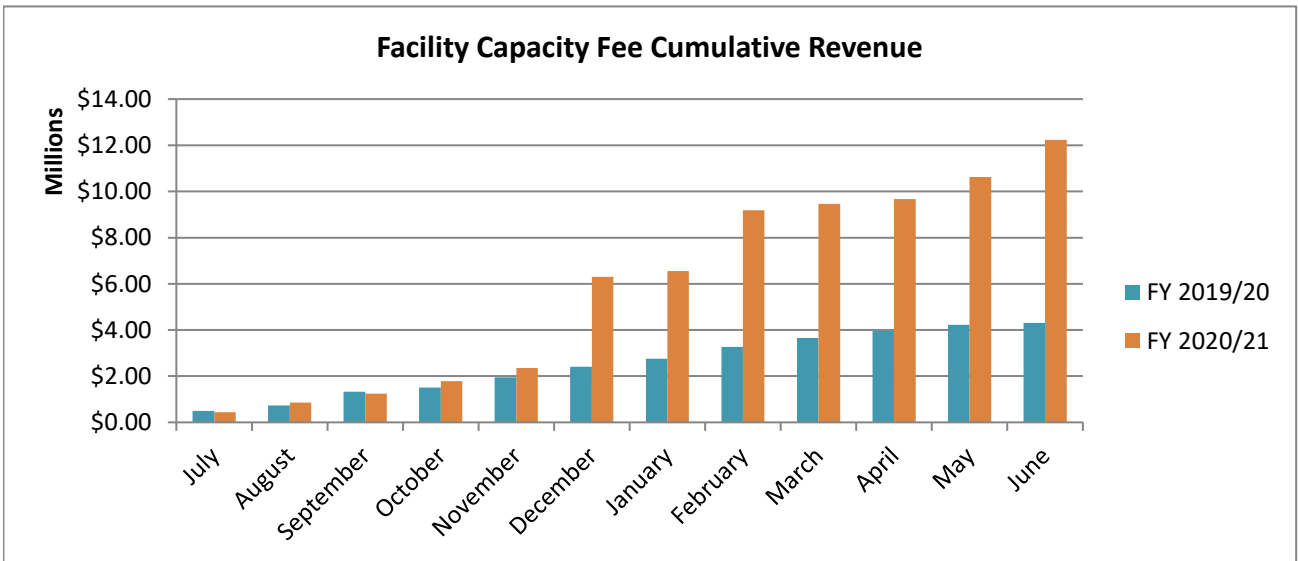
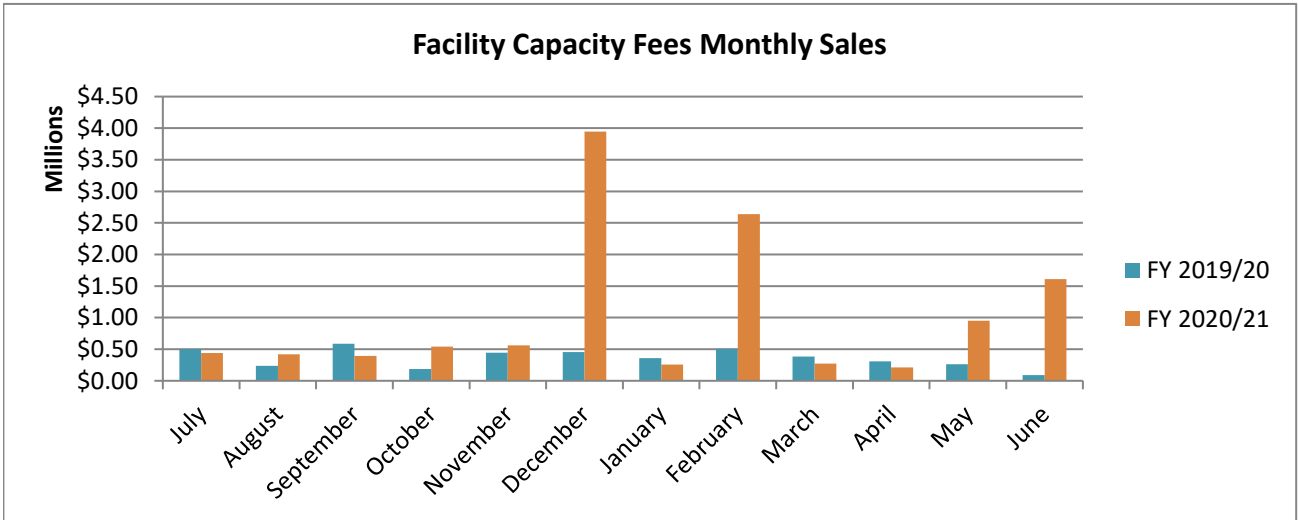
Merchant Name	Description	Amount
	There are no VWD issued credit cards; purchases made thru P-Cards.	
<b>Total</b>		-
<b>Credit Card Grand Total</b>		-

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# Facility Capacity Fee Revenues

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## REGIONAL DIVISION FACILITY CAPACITY FEE REVENUES FY 2020/21 as of June 30, 2021



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**Finance and Administration Committee  
Planning Calendar  
FY 2021/22**

Item	July 6 Board	July 19 Comm	Aug 3 Board	Aug 16 Comm	Sept 7 Board	Sept 20 Comm	Oct 5 Board	Oct 18 Comm	Nov 2 Board	Nov 15 Comm	Dec 7 Board	Dec 20 Comm	Jan 4 Board	Jan 24 RESCHEDULED Comm	Feb 15 Board	Feb 28 RESCHEDULED Comm	Mar 15 Board	Mar 21 Comm	April 5 Board	April 18 Comm	May 3 Board	May 16 Comm	June 7 Board	June 20 Comm	June 21 Board
1	Approve a Resolution Allowing for PFAS Financing	C																							
2	Recommend Approval of Revised Customer Service Policy	C																							
3	Recommend Approval of a Contract Amendment with Equation Technologies for Project Management Services	C																							
4	Recommend Approval of Resolutions Setting Santa Clarita Valley Water Agency Tax Rate for FY 2021/22 and Requesting Levy of Tax by Los Angeles County and Ventura County (consent)	C																							
5	Recommend Approval of Resolution Authorizing July 2021 Water Supply Contract Payment (consent)	C																							
6	Recommend Receiving and Filing of April 2021 Monthly Financial Report (consent)	C																							
7	Recommend Approval of a Resolution Revising the Appropriations Limits for FY 2020/21 and FY 2021/22		C	C																					
8	Recommend Approval of a Resolution Authorizing FY 2021/22 Water Supply Contract Payments (consent)		C	C																					
9	Recommend Receiving and Filing of May 2021 Monthly Financial Report (consent)		C	C																					

ITEM NO.  
9

**Finance and Administration Committee  
Planning Calendar  
FY 2021/22**

	Item	July 6 Board	July 19 Comm	Aug 3 Board	Aug 16 Comm	Sept 7 Board	Sept 20 Comm	Oct 5 Board	Oct 18 Comm	Nov 2 Board	Nov 15 Comm	Dec 7 Board	Dec 20 Comm	Jan 4 Board	Jan 24 RESCHEDULED Comm	Feb 15 Board	Feb 28 RESCHEDULED Comm	Mar 15 Board	Mar 21 Comm	April 5 Board	April 18 Comm	May 3 Board	May 16 Comm	June 7 Board	June 20 Comm	June 21 Board
10	Discuss Financing Policy - Financial Advisor				P																					
11	Discuss Establishing a Community Facility District (CFD) for the Spring Canyon Development				P	P																				
12	Discuss Establishing a Community Facility District (CFD) for The Highlands at Tesoro del Valle Development				P	P																				
13	Recommend Approval of Employee Manual 40 - Flexible Workplace Program				P	P																				
14	Recommend Approval of a Resolution Adjusting Employer's Contributions for PERS Medical Insurance				P	P																				
15	Review Financial Performance Metrics				P																					
16	Recommend Receiving and Filing of June 2021 Monthly Financial Report (consent)				P	P																				
17	Discuss Financing Policy - Ratepayer Advocate						P	P																		
18	Discuss Wholesale Water Rates						P																			
20	Recommend Approval of a Mission Village CFD						P	P																		
21	Technology Update						P																			
22	Recommend Receiving and Filing of July 2021 Monthly Financial Report (consent)						P	P																		
23	Discuss Financing Policy								P																	
24	Recommend Approval of Wholesale Water Rates						P	P																		
25	Recommend Receiving and Filing of August 2021 Monthly Financial Report (consent)								P																	

**Finance and Administration Committee  
Planning Calendar  
FY 2021/22**

	Item	July 6 Board	July 19 Comm	Aug 3 Board	Aug 16 Comm	Sept 7 Board	Sept 20 Comm	Oct 5 Board	Oct 18 Comm	Nov 2 Board	Nov 15 Comm	Dec 7 Board	Dec 20 Comm	Jan 4 Board	Jan 24 RESCHEDULED Comm	Feb 15 Board	Feb 28 RESCHEDULED Comm	Mar 15 Board	Mar 21 Comm	April 5 Board	April 18 Comm	May 3 Board	May 16 Comm	June 7 Board	June 20 Comm	June 21 Board
26	Review Performance Metrics																									
27	Recommend Receiving and Filing of September 2021 Monthly Financial Report (consent)										P	P														
28	Recommend Receiving and Filing of SCV Water Comprehensive Annual Financial Report (CAFR) ended June 30, 2021 (consent)												P	P												
29	Technology Update												P													
30	Recommend Receiving and Filing of October 2020 Monthly Financial Report (consent)												P	P												
31	Recommend Approval of a Revised Investment Policy - (Annually adopted via reso) (consent)														P	P										
32	Recommend Receiving and Filing of November 2021 Monthly Financial Report (consent)														P	P										
33	Review Performance Metrics																P									
34	Recommend Receiving and Filing of December 2021 Monthly Financial Report (consent)																P	P								
35	Review Budget Calendar																		P							
36	Review Annual List of Professional Services Contracts (consent)																		P	P						
37	Technology Update																									
38	Recommend Receiving and Filing of January 2021 Monthly Financial Report (consent)																		P	P						
39	Recommend Approval of a Proposed Employee Salary Adjustment for FY 2022/23																									

**Finance and Administration Committee  
Planning Calendar  
FY 2021/22**

	Item	July 6 Board	July 19 Comm	Aug 3 Board	Aug 16 Comm	Sept 7 Board	Sept 20 Comm	Oct 5 Board	Oct 18 Comm	Nov 2 Board	Nov 15 Comm	Dec 7 Board	Dec 20 Comm	Jan 4 Board	Jan 24 RESCHEDULED Comm	Feb 15 Board	Feb 28 RESCHEDULED Comm	Mar 15 Board	Mar 21 Comm	April 5 Board	April 18 Comm	May 3 Board	May 16 Comm	June 7 Board	June 20 Comm	June 21 Board	
40	Review Status of Operating FY 2021/22 and FY 2022/23 Biennial Budget																										
41	Recommend Receiving and Filing of February 2021 Monthly Financial Report (consent)																					P					
42	Recommend Approval of a Resolution Revising the FY 2021/22 and FY 2022/23 Biennial Budget																						P				
43	Approve a Resolution Adopting the Appropriation of All As-Yet Unappropriated Funds for FY 2021/22 (consent)																						P	P			
44	Approve a Resolution Adopting the Appropriation Limit for FY 2022/23 (consent)																						P	P			
45	Review Performance Metrics																						P				
46	Recommend Receiving and Filing of March 2021 Monthly Financial Report (consent)																							P			
47	Recommend Approval of Resolution Authorizing July 2021 Water Supply Contract Payment																								P		
48	Technology Update																									P	
49	Recommend Receiving and Filing of April 2021 Monthly Financial Report (consent)																									P	