

**FIRST AMENDMENT TO  
RECYCLED WATER SALES AGREEMENT BY AND BETWEEN COUNTY  
SANITATION DISTRICTS NOS. 26 AND 32 OF LOS ANGELES COUNTY AND THE  
CASTAIC LAKE WATER AGENCY**

This First Amendment to the Recycled Water Sales Agreement by and between County Sanitation Districts Nos. 26 and 32 of Los Angeles County and the Castaic Lake Water Agency (“First Amendment”) is hereby made by and between the Santa Clarita Valley Water Agency (“SCV Water”), as the successor in interest to Castaic Lake Water Agency, and the Santa Clarita Valley Sanitation District (“SCVSD”), as the successor in interest to County Sanitation Districts Nos. 26 and 32 of Los Angeles County, with an effective date of July 1, 2021, subject to the following terms and conditions:

**Recitals**

- A. On July 24, 1996, the Castaic Lake Water Agency and the County Sanitation Districts Nos. 26 and 32 of Los Angeles County entered into an agreement setting forth the terms and conditions under which the Districts would sell reclaimed water to Castaic Lake Water Agency (the “Agreement”). Pursuant to Section 10.1 of the Agreement, the initial Term of 25 years is due to expire on July 24, 2021.
- B. On July 1, 2005, County Sanitation District Nos. 26 and 32 of Los Angeles County merged to form SCVSD. SCVSD is the wastewater collection and treatment service provider for the service area of the former Sanitation Districts Nos. 26 and 32, and is the successor in interest to the Sanitation Districts’ rights, interests and obligations under the Agreement.
- C. On January 1, 2018, pursuant to the Santa Clarita Valley Water Agency Law (the “Act”), Castaic Lake Water Agency merged with the Newhall County Water District and became SCV Water. Also consistent with the Act, later in January 2018 the Valencia Water Company was dissolved and all of its assets, contracts, property, liabilities, and indebtedness were transferred into SCV Water.
- D. SCV Water is now the retail and wholesale water supply entity for Castaic Lake Water Agency’s service area, and is the successor in interest to Castaic Lake Water Agency’s rights, interests and obligations under the Agreement.
- E. As the water supply agency in its service area, SCV Water is the exclusive distributor of recycled water in its service area.
- F. The purpose of this First Amendment is to update and clarify the Parties respective names and roles under the Agreement, update the pricing information and extend its term as stated herein.

G. This Amendment is exempt from the requirements of the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations Section 15061(b)(3), the common-sense exemption, as well as, alternatively, Section 15301, as the matters contemplated herein do not amend the quantity of recycled water provided for under the Agreement and do not authorize any construction or expansion of new or existing facilities.

**Amendment**

Based on the above Recitals, which the Parties incorporate into the Agreement by reference, the Parties agree as follows:

1. SCV Water shall hereby replace Castaic Lake Water Agency in the Agreement. For the purposes of the Agreement, any rights or obligations of Castaic Lake Water Agency, Castaic, or CLWA (as used therein), shall be rights and obligations of SCV Water.
2. SCVSD shall hereby replace County Sanitation Districts Nos. 26 and 32 of Los Angeles County in the Agreement. For the purposes of the Agreement, any rights or obligations of County Sanitation Districts Nos. 26 and 32 of Los Angeles County, or the Districts (as used therein) shall be rights and obligations of SCVSD.

3. Paragraph 3.2 of the Agreement is hereby amended to state, in its entirety:

“3.2 SCVSD shall not enter into any agreement to sell reclaimed water from the Valley Reclamation Plants to any person or entity other than SCV Water.”

4. Paragraph 6.5 is hereby added to the Agreement and shall state:

“6.5 Notwithstanding any other provision in this Agreement, including but not limited to the requirements of paragraphs 5 and 6 of this Agreement, the requirements of Appendix A to this Agreement, and irrespective of SCVSD’s obligation to deliver water to SCV Water hereunder or how much water is delivered to SCV Water under this Agreement, SCV Water shall pay for water delivered under this agreement based on the following fee schedule for each full fiscal year after the Effective Date of this Agreement:

Effective Date of Agreement through Year 1	\$167.00 per acre foot
Year 2	Year 1 Price + CPI Adjustment
Year 3	Year 2 Price + CPI Adjustment
Year 4	Year 3 Price + CPI Adjustment
Year 5	Year 4 Price + CPI Adjustment

The annual per acre foot baseline payment rate will be increased on July 1 by an amount equal to the change in the CPI (as defined below) during the immediately preceding 12-month period ending March 31 (“CPI Adjustment”), with a minimum 2% increase and

maximum 5% increase. For purposes of this Agreement, “CPI” means the Consumer Price Index – All Items for All Urban Customers, Los Angeles-Long Beach-Anaheim area published by the United States Department of Labor, Bureau of Labor Statistics (or a reasonably equivalent index if such index is discontinued). For purposes of this Agreement, the term “Year 1” refers to the fiscal year ending in 2022.

5. Paragraph 10.1 to the Agreement is amended to state, in its entirety:

“The term of this Agreement shall be five (5) years from the effective date of this First Amendment.

6. Counterparts: This Amendment to the Agreement may be executed in counterparts with the same force and effect as if executed in one complete document by all Parties.
7. Remainder of Agreement: Except only as modified by this First Amendment, the 1996 Agreement remains in full force and effect. If there is any conflict or inconsistency between the First Amendment and the 1996 Agreement, this First Amendment prevails.

*[Signatures on Following Page]*

The Parties are signing this Amendment to be effective as of the Amendment Date stated above.

**SANTA CLARITA VALLEY WATER AGENCY**

**SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY**

By: <sup>DocuSigned by:</sup>  
Gary Martin  
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Chair, Board of Directors

By: Laurene Weste  
Chair, Board of Directors

Dated: 4/21/2021

Dated: March 15, 2021

**ATTEST:**

**ATTEST:**

By: <sup>DocuSigned by:</sup>  
April Jacobs  
0AC88C2D880A490...  
Secretary to the Board

By: Kimberly A. Christensen  
Secretary to the Board

**APPROVED AS TO FORM:  
BEST BEST AND KRIEGER LLP**

**APPROVED AS TO FORM:  
LEWIS BRISBOIS BISGAARD & SMITH LLP**

By: <sup>DocuSigned by:</sup>  
Joe Byrne  
355F342FBB934DB...  
Agency Counsel

By: Wes Beverlin  
District Counsel