



ITEM NO.  
6.1

## BOARD MEMORANDUM

**DATE:** July 12, 2018

**TO:** Board of Directors

**FROM:** Dirk Marks *DM*  
Director of Water Resources

**SUBJECT:** Approve a Resolution Authorizing the General Manager to Execute an Agreement Forming the Joint Powers Authority for the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) and to Execute a Contract for SCV Water to Provide Management and Technical Services to SCV-GSA

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### SUMMARY

The Santa Clarita Valley Water Agency (SCV Water) is a member of the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA). The SCV-GSA was formed via a Memorandum of Understanding (MOU) on May 24, 2017. The MOU contemplates its members creating a Joint Powers Authority (JPA) governance structure. SCV-GSA member agency staff have negotiated a Joint Powers Agreement (JPA Agreement) and an Administrative Services Agreement whereby SCV Water would provide administrative, management, and technical services necessary to assure compliance with the Sustainable Groundwater Management Act including preparation of a Groundwater Sustainability Plan.

### DISCUSSION

On May 24, 2017, the SCV-GSA was formed via execution of an MOU between six local entities. The members listed in the MOU are Castaic Lake Water Agency, City of Santa Clarita, County of Los Angeles, Los Angeles County Waterworks District No. 36, Newhall County Water District and the Santa Clarita Water Division. Three of these member agencies are now part of SCV Water, the successor agency as defined by Senate Bill 634. The MOU describes: coordination, responsibilities, funding, consideration of interests of all beneficial uses and users of groundwater, and other items. With limited time to create the SCV-GSA among six member agencies, an MOU was the logical approach to form the SCV-GSA. Members understood operating the SCV-GSA under an MOU would be inefficient, and articulated a desire to form a JPA at a later time.

Under the MOU, any contracting required by the SCV-GSA would require each member go to its Board or Council to approve funding and contracts. With so many member agencies, each with different funding and contracting approaches, initiating and then administering contracts is inefficient for the SCV-GSA. With many contracts likely needed in the future, such inefficiency could result in delays in meeting required SGMA deadlines and potential compliance issues. Governance by a JPA, however, allows member agencies to specify a member agency as responsible for contracting with consultants. Administration of the SCV-GSA is also an important consideration, and is now streamlined via the approach in the JPA which allows for SCV Water to take the lead on administration.

### Description of Proposed JPA Powers and Governance

The proposed JPA will create a public entity separate from its member agencies, will terminate the existing MOU, and the JPA will assume the role of the SCV-GSA. The SCV-GSA will have powers to exercise any and all common powers of its members reasonably related to the purposes of the SCV-GSA. The JPA Agreement lists powers in more detail; however powers include the ability to adopt rules, regulations, develop a GSP, obtain permits, collect data, acquire property, distribute water, recharge water, assess fees, enter into contracts, etc. A copy of the draft JPA Agreement is attached.

The JPA will form a seven member Board of Directors. Four Directors will be appointed by the Santa Clarita Valley Water Agency, one by the City Council for the City of Santa Clarita, one by the County of Los Angeles Board of Supervisors, and one by the Los Angeles County Waterworks District No. 36. The JPA Board will appoint a Chair, Vice Chair, Secretary, and Treasurer.

A quorum of any meeting of the Board of Directors shall consist of a majority of the seven Directors. An affirmative vote of the JPA requires at least four Directors, unless otherwise specified. The Board will strive to govern by consensus, however, there are provisions for supermajority and unanimous voting in limited circumstances.

Supermajority voting requires at least five Directors and is specified for 1) adoption of the Groundwater Sustainability Plan, 2) any amendments to bylaws, 3) approval of the annual budget, 4) the adoption of any groundwater regulatory extraction fees, 5) the adoption of any taxes, fees or assessments subject to Proposition 218, 6) a decision to initiate or settle litigation, and 7) the approval of any agreement between the SCV-GSA and any member.

Unanimous voting is required for addition of new members to the JPA, rescission of the JPA Agreement terminating the SCV-GSA, and creating a Special Project Agreement.

The SCV-GSA may issue bonds, notes, or other forms of indebtedness as authorized in the JPA Agreement, providing such issuance is approved at a meeting of the Board of Directors.

The SCV-GSA Board of Directors may establish one or more standing or ad hoc committees consisting of Directors, including but not limited to a Budget and Finance Committee, Planning Committee, and an Executive Committee.

Members may unilaterally withdraw from the JPA Agreement without causing or requiring termination of the agreement. The Board may vote to terminate a member in the event a member does not meet its obligations under the agreement. Such a vote requires all but one of the current Directors. The JPA Agreement also contains a dispute resolution section that describes an informal process, mediation, and legal action.

In addition to the general activities undertaken by all members of the SCV-GSA, the SCV-GSA may initiate Special Projects and form Special Project Committees that involve fewer than all members. With unanimous approval of the Board of Directors, members may undertake Special Projects in the name of the SCV-GSA. Prior to undertaking any such activity however, members must enter into a Special Project Activity Agreement. This may prove useful in the future should one or more entities wish to implement a project identified in the GSP.

The JPA can employ full-time and/or part-time employees and independent contractors to accomplish the purposes of the SCV-GSA, subject to approval of the Board of Directors. It may contract with a member, or other entities for services, including those related to finances, purchasing, risk management, information technology, and human resources. Such contracting requires a written agreement between the SCV-GSA and the member or entity.

#### Description of JPA Funding Strategy

The JPA Agreement identifies that, unless otherwise determined by the SCV-GSA Board of Directors, SCV Water under written agreement with the SCV-GSA will manage the administrative operations of the SCV-GSA and the development of the Groundwater Sustainability Plan. SCV Water will provide staff resources to administer the operations of the SCV-GSA and will be authorized to contract directly with consultants and other parties to carry out the direction of the SCV-GSA Board. Procurement and purchasing will be in accordance with SCV Water's policies unless otherwise specified. The written agreement between SCV Water and SCV-GSA will address costs and expenses incurred by SCV Water in fulfilling its role. The written agreement will be provided prior to the Committee meeting.

The funding approach is reflective of SCV Water's mission to provide responsible water stewardship to ensure the Santa Clarita Valley has reliable supplies of high quality water at a reasonable cost. We believe SCV Water is in the best position to provide SCV-GSA administrative services and lead the GSP development on behalf of the SCV-GSA.

Failing to comply with the SGMA could result in losing local control over groundwater resource management to the State Water Resources Control Board. One way to ensure ongoing success of SCV Water's mission is through SCV Water's role in the JPA, which allows for more efficient compliance with SGMA, protecting SCV Water's ability to be a steward of water resources and to maintain local control.

Further, SCV Water is the largest groundwater producer in the basin. Among water purveyors, SCV Water extracts more than 95% of the groundwater. Among all pumpers (agriculture and other pumping), SCV Water extracts approximately 70% of total groundwater, but this amount is anticipated to increase to approximately 80% starting in 2030 (2015 UWMP).

Additionally, SGMA allows for a GSA to collect fees from groundwater users to fund development of a Groundwater Sustainability Plan, however, assessment of such an extraction charge is not advisable at this time. Such an action would require significant legal and public process, would require installation of flow meters or other means of assessment, reporting of extractions, assessment, and collection of fees. Such an action could create legal challenges and delays in the SCV-GSAs ability to achieve compliance with SGMA.

The JPA Agreement identifies that the SCV-GSA will adopt a Budget within 120 days after the first meeting of its Board of Directors. Subsequent budgets will be adopted prior to the commencement of each fiscal year, and in the event a budget is not approved, the previous year's budget shall be deemed approved for the ensuing year. An estimated SCV Water budget through Fiscal Year 2020/21 (completion of the GSP) is shown on Table 1, attached.

Each member of the JPA must contribute a non-reimbursable twenty thousand dollars (\$20,000) each fiscal year which is expected to cover general administrative costs. SCV Water's voluntary monetary and in-kind contributions to the SCV-GSA are also shown on Table 1.

Administrative Services Agreement

The Administrative Services Agreement is the written agreement that identifies SCV Water shall perform General Services and secure Consultant Services in order to administer the SCV-GSA and develop and implement the GSP. A copy of the Services Agreement is attached.

The proposed budget includes Proposition 1 fund that will offset SCV Water's costs. Should additional grant funds become available, the Agreement contains provisions by which SCV Water may require such additional funds be used to offset its costs.

On July 11, 2018, the Water Resources and Watershed Committee considered staff's recommendation to authorize the General Manager to execute an agreement forming the Joint Powers Authority for the SCV-GSA and to execute a contract for SCV Water to provide management and technical services to the SCV-GSA.

**FINANCIAL CONSIDERATIONS**

Sufficient funds for SCV Water to meet its obligations under the JPA Agreement and Administrative Services Agreement in Fiscal Year 2018/19 were included in the Fiscal Year 2018/19 Water Resources Operating Budget.

**RECOMMENDATION**

The Water Resources and Watershed Committee recommends that the Board of Directors adopt the attached resolution authorizing the General Manager to execute an agreement forming the Joint Powers Authority for the SCV-GSA and to execute a contract for SCV Water to provide management and technical services to the SCV-GSA.

RDV

Attachments

MGS



<b>Table 1. Initial SCV-GSA Budget (June 2018)</b>						
<b>Budget Summary</b>	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>Total</b>
<b>Table 1 Total SCV Water Staff</b>	<b>\$ 23,000</b>	<b>\$ 230,000</b>	<b>\$ 224,000</b>	<b>\$ 229,000</b>	<b>\$ 186,000</b>	<b>\$ 892,000</b>
<b>Table 2 Total Consultant Services</b>	<b>\$ 125,000</b>	<b>\$ 765,000</b>	<b>\$ 415,000</b>	<b>\$ 295,000</b>	<b>\$ 220,000</b>	<b>\$1,820,000</b>
<b>Total Estimated Staff and Consultant</b>	<b>\$ 148,000</b>	<b>\$ 995,000</b>	<b>\$ 639,000</b>	<b>\$ 524,000</b>	<b>\$ 406,000</b>	<b>\$2,712,000</b>
<b>Revenue For GSP Development</b>						
Estimated Grant Reimbursement		\$ 118,125	\$ 163,125	\$ 57,375	\$ 24,750	\$363,375
Member contributions	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$400,000
Additional SCV Water Contributions	\$ 68,000	\$ 796,875	\$ 395,875	\$ 386,625	\$ 301,250	\$1,948,625
<b>Total Revenue for GSP Development</b>	<b>\$ 148,000</b>	<b>\$ 995,000</b>	<b>\$ 639,000</b>	<b>\$ 524,000</b>	<b>\$ 406,000</b>	<b>\$2,712,000</b>
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**JOINT EXERCISE OF POWERS AGREEMENT**

**by and among**

**SANTA CLARITA VALLEY WATER AGENCY,**

**THE CITY OF SANTA CLARITA,**

**LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, VAL VERDE,**

**and**

**THE COUNTY OF LOS ANGELES**

**modifying and assuming the role of**

**THE SANTA CLARITA VALLEY**

**GROUNDWATER SUSTAINABILITY AGENCY**

**2018**

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## JOINT EXERCISE OF POWERS AGREEMENT

### THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

This Joint Exercise of Powers Agreement (“JPA” or “Agreement”) is made and effective on the last date executed (“Effective Date”), by and among the Santa Clarita Valley Water Agency (“SCV-Water”), the City of Santa Clarita, Los Angeles County Waterworks District No. 36, Val Verde, and the County of Los Angeles, sometimes referred to herein individually as a “Member” and collectively as the “Members” for purposes of modifying and assuming the role of the Santa Clarita Valley Groundwater Sustainability Agency (“SCV-GSA”) and setting forth the terms pursuant to which the SCV-GSA shall operate. Capitalized defined terms used herein shall have the meanings given to them in Article 1 of this Agreement.

The SCV-GSA was formed pursuant to the Sustainable Groundwater Management Act to be the Groundwater Sustainability Agency (GSA) for the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 (“Basin”), per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118.

### RECITALS

A. On September 16, 2014, Governor Jerry Brown signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739, collectively known as the Sustainable Groundwater Management Act (SGMA), codified in Part 2.74 of Division 6 of the California Water Code, commencing with Section 10720.

B. SGMA became effective on January 1, 2015, and various clarifying amendments to SGMA, including Senate Bills 13 and 226 and Assembly Bills 617 and 939, were signed in 2015 and became effective on January 1, 2016.

C. The legislative intent of SGMA is to provide sustainable management of California’s groundwater basins, to enhance local management of groundwater, to establish minimum standards for sustainable groundwater management, and to provide local agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater.

D. The Members are all local public agencies with water supply, water management, and/or land use responsibilities in at least some portion of the Basin and as a result, each has the statutory authority to participate in GSAs for the Basin. A map of the basin and the service area boundary of each Member is included in **Exhibit A**.

E. The Basin, identified and designated by Department of Water Resources Bulletin 118 as Subbasin No. 4-4.07, is a high priority basin and therefore, is subject to the requirements of SGMA.

F. SGMA Section 10735.2 required the formation of one or more GSAs to manage the Basin by June 30, 2017. SGMA Section 10723.6 authorizes multiple local agencies in a basin to form a GSA by way of memorandum of agreement or other legal agreement.

G. Castaic Lake Water Agency, Newhall County Water District, Los Angeles County Waterworks District No. 36, Val Verde, the Santa Clarita Water Division, the City of Santa Clarita, and the County of Los Angeles formed the SCV-GSA by Memorandum of Understanding (MOU) dated May 24, 2017. The parties to the MOU set forth their intention and reserved the right to prepare a joint powers agreement to assume the role of the SCV-GSA.

H. Santa Clarita Valley Water Agency (SCV Water) is the successor to Castaic Lake Water Agency, the Santa Clarita Water Division, and Newhall County Water District, which were dissolved, pursuant to Senate Bill 634, Chapter 833 (SB 634). In addition, SB 634 required SCV Water to dissolve Valencia Water Company, a large private retail water provider in the area whose stock was owned by SCV Water, and transfer its assets into SCV Water. This transfer was accomplished in January 2018 and as a result, the Valencia Water Division is operated as a retail service division and is part of the public agency, SCV Water.

I. Under SGMA and pursuant to Government Code Section 6500, et seq., a combination of local agencies may form a GSA through a joint exercise of powers agreement.

J. The Members have determined that the sustainable management of the Basin pursuant to SGMA may best be achieved through the cooperation of the Members operating through a joint powers agreement.

K. The Joint Exercise of Powers Act of 2000 (“Act”) authorizes the Members to create a joint powers authority and to jointly exercise any power common to the Members and to exercise additional powers granted under the Act.

L. The Act, including the Marks-Roos Local Bond Pooling Act of 1985 (Government Code sections 6584, et seq.), authorizes an entity created pursuant to the Act to issue bonds, and under certain circumstances, to purchase bonds issued by, or to make loans to, the Members for financing public capital improvements, working capital, liability and other insurance needs or projects whenever doing so would result in significant public benefits, as determined by the Members. The Act further authorizes and empowers a joint powers authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sales.

M. Based on the foregoing legal authority, as well as the authority granted in SGMA, the Members desire to create a joint powers authority for the purpose of taking all actions deemed necessary by the joint powers authority to ensure sustainable management of the Basin as required by SGMA.

N. The governing board of each Member has determined it to be in the Member’s best interest and in the public interest that this Agreement be executed.

O. This Agreement supersedes and terminates the previously executed MOU and the joint powers authority created herein hereby assumes the role of the SCV-GSA.



## **TERMS OF AGREEMENT**

In consideration of the mutual promises and covenants herein contained, the Members agree as follows:

### **ARTICLE 1. DEFINITIONS**

The following terms have the following meanings for purposes of this Agreement:

1.1 “Act” means The Joint Exercise of Powers Act, set forth in Chapter 5 of division 7 of Title 1 of the Government Code, sections 6500, et seq., including all laws supplemental thereto.

1.2 “Agreement” has the meaning assigned thereto in the Preamble.

1.3 “Auditor” means the auditor of the financial affairs of the SCV-GSA appointed by the Board of Directors pursuant to Section 13.3 of this Agreement.

1.4 “Basin” means the Santa Clara River Valley East Groundwater Subbasin, groundwater basin number 4-4.07 per Bulletin 118, as further depicted in **Exhibit A** to this MOU.

1.5 “Board of Directors” or “Board” means the governing body of the SCV-GSA as established by Article 6 of this Agreement.

1.6 “Director” and “Alternate Director” shall mean a director and alternate director appointed pursuant to Article 6 of this Agreement.

1.7 “DWR” means the California Department of Water Resources.

1.8 “Effective Date” has the meaning assigned thereto in the Preamble.

1.9 “GSA” means Groundwater Sustainability Agency, as defined by SGMA, that implements the provisions of SGMA.

1.10 “GSP” means Groundwater Sustainability Plan, as defined by SGMA, proposed or adopted by a GSA pursuant to SGMA.

1.11 “Member” has the meaning in the Preamble and further means each party to this Agreement that satisfies the requirements of Section 5.1 of this Agreement, including any new members as may be approved by the parties, pursuant to Section 5.2 of this Agreement.

1.12 “Officer(s)” means the Chair, Vice Chair, and Secretary to be appointed by the Board of Directors pursuant to Section 7.1 of this Agreement.

1.13 “SCV-GSA” means the Santa Clarita Groundwater Sustainability Agency and consists of the following members: Santa Clarita Valley Water Agency, the City of Santa Clarita, Los Angeles County Waterworks District No. 36 Val Verde, and the County of Los Angeles.

1.14 “SGMA” refers to the Sustainable Groundwater Management Act as defined in the Recitals.

1.15 “State” means the State of California.

1.16 “Supermajority Vote” means five (5) affirmative votes.

## **ARTICLE 2. CREATION OF THE AUTHORITY**

2.1 Creation of Authority. There is hereby created pursuant to the Act a joint powers authority, which shall be a public entity separate from the Members to this Agreement. This Agreement terminates the MOU and the joint powers authority hereby assumes the role of the SCV-GSA and shall be known as the SCV-GSA. Within ten (10) days after the Effective Date of this Agreement, the SCV-GSA shall cause a statement of the information concerning the SCV-GSA, required by Government Code section 53051, to be filed with the office of the California Secretary of State and with the County Clerk for the County of Los Angeles, setting forth the facts required to be stated pursuant to Government Code section 53051(a). Within thirty (30) days after the Effective Date of this Agreement and after any amendment, the SCV-GSA shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within thirty (30) days after the Effective Date, the SCV-GSA shall send a copy of this Agreement to DWR.

2.2 Purpose of the Joint Powers Authority. Each Member to this Agreement has in common the power to study, plan, develop, finance, acquire, construct, maintain, repair, manage, operate, control, and govern water supply projects and exercise groundwater management authority within the Basin either alone or in cooperation with other public or private non-member entities, and each is a local agency eligible to serve as the GSA, either alone or jointly through a joint powers agreement as provided for by SGMA. This Agreement is being entered into in order to jointly exercise some or all of the foregoing common powers, as appropriate, and for the exercise of such additional powers as may be authorized by law in the manner herein set forth, in order to effectuate the purposes of this Agreement. The purpose of the SCV-GSA is to serve as the GSA for the Basin and to develop, adopt, and implement the GSP for the Basin pursuant to SGMA and other applicable provisions of law.

## **ARTICLE 3. TERM**

This Agreement shall become effective upon its execution by each of the Members and shall remain in effect until terminated pursuant to the provisions of Article 16 (Withdrawal of Members) of this Agreement.

## **ARTICLE 4. POWERS**

The SCV-GSA shall possess the power in its own name to exercise any and all common powers of its Members reasonably related to the purposes of the SCV-GSA, including but not limited to the following powers, together with such other powers as are expressly set forth in SGMA and as it may be amended in the future. For purposes of Government Code section 6509, the powers of the SCV-GSA

shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on SCV Water, and in the event of the withdrawal of SCV Water as a Member under this Agreement, then the manner of exercising the SCV-GSA's powers shall be those restrictions imposed on the County of Los Angeles.

4.1 To exercise all powers afforded to the SCV-GSA under SGMA, including without limitation:

4.1.1 To adopt rules, regulations, policies, bylaws, and procedures governing the operation of the SCV-GSA.

4.1.2 To develop, adopt, and implement a GSP for the Basin, and to exercise jointly the common powers of the Members in doing so.

4.1.3 To obtain rights, permits, and other authorizations for, or pertaining to, implementation of a GSP for the Basin.

4.1.4 To collect and monitor data on the extraction of groundwater from, and the quality of groundwater in, the Basin.

4.1.5 To acquire property and other assets by grant, lease, purchase, bequest, devise, gift, or eminent domain, and to hold, enjoy, lease or sell, or otherwise dispose of, property, including real property, water rights, and personal property, necessary for the full exercise of the SCV-GSA's powers.

4.1.6 To establish and administer a conjunctive use program for the purposes of maintaining sustainable yield in the Basin consistent with the requirements of SGMA.

4.1.7 To exchange and distribute water.

4.1.8 To regulate groundwater extractions as permitted by SGMA.

4.1.9 To spread, sink, and inject water into the basin to recharge the groundwater Basin.

4.1.10 To store, transport, recapture, recycle, purify, treat, or otherwise manage and control water for beneficial use.

4.1.11 To develop and facilitate market-based solutions for the use, sale, or lease, and management of water rights.

4.1.12 To impose assessments, groundwater extraction fees, or other charges, and to undertake other means of financing the SCV-GSA as authorized by Chapter 8 of SGMA, commencing at section 10730 of the Water Code.

4.1.13 To exercise the common powers of its Members to develop, collect, provide, and disseminate information that furthers the purposes of the SCV-GSA, including but not limited to the operation of the SCV-GSA and adoption and implementation of a GSP for the Basin to the Members' legislative, administrative, and judicial bodies, as well as the public generally.

4.1.14 To perform other ancillary tasks relating to the operation of the SCV-GSA pursuant to SGMA, including without limitation, environmental review, engineering, and design.

4.2 To apply for, accept, and receive licenses, permits, water rights, approvals, agreements, grants, loans, contributions, donations, or other aid from any agency of the United States, the State of California, or other public agencies or private persons or entities necessary for the SCV-GSA's purposes.

4.3 To make and enter contracts necessary to the full exercise of the SCV-GSA's power.

4.4 To employ, designate, or otherwise contract for the services of agents, officers, employees, attorneys, engineers, planners, financial consultants, technical specialists, advisors, and independent contractors.

4.5 To incur debts, liabilities, or obligations, to issue bonds, notes, certificates of participation, guarantees, equipment leases, reimbursement obligations, and other indebtedness, as authorized by the Act.

4.6 To cooperate, act in conjunction, and contract with the United States, the State of California, or any agency thereof, counties, municipalities, public and private corporations of any kind (including without limitation, investor-owned utilities), and individuals, or any of them, for any and all purposes necessary or convenient for the full exercise of the powers of the SCV-GSA.

4.7 To sue and be sued in the SCV-GSA's own name. Third parties must comply with the requirements of the Government Claims prior to filing any action for money or damages against the SCV-GSA.

4.8 To provide for the prosecution of, defense of, or other participation in, actions or proceedings at law or in public hearings in which the Members, pursuant to this Agreement, have an interest and employ counsel and other expert assistance for these purposes.

4.9 To accumulate operating and reserve funds for the purposes herein stated.

4.10 To invest money that is not required for the immediate necessities of the SCV-GSA, as the SCV-GSA determines is advisable, in the same manner and upon the same conditions as Members, pursuant to Government Code section 53601, as that section now exists or may hereafter be amended.

4.11 To undertake any investigations, studies, and matters of general administration.

4.12 To perform all other acts necessary or proper to carry out fully the purposes of this Agreement.

## **ARTICLE 5. MEMBERSHIP**

5.1 Members. The Members of the SCV-GSA shall be the Santa Clarita Valley Water Agency, the City of Santa Clarita, Los Angeles County Waterworks District No. 36 Val Verde, and the



County of Los Angeles, as long as they have not, pursuant to the provisions hereof, withdrawn or been terminated from this Agreement.

5.2 New Members. It is recognized that a public agency that is not a Member on the Effective Date of this Agreement may wish to participate in the SCV-GSA. Additional public agencies or mutual water companies may become members of the SCV-GSA upon such terms and conditions as established by the Board of Directors and upon the unanimous consent of the existing Members, evidenced by the execution of a written amendment to this Agreement signed by all of the Members, including the additional public agency or mutual water company. The addition of new Members shall not affect any rights of existing Members without the consent of all affected Members.

## **ARTICLE 6. BOARD OF DIRECTORS**

6.1 Formation of the Board of Directors. The SCV-GSA shall be governed by a Board of Directors (“Board of Directors” or “Board”). The Board shall consist of seven (7) Directors who shall be appointed in the manner set forth as follows:

6.1.1 Four (4) Directors appointed by the Board of Directors for the Santa Clarita Valley Water Agency, which is the successor entity to the Castaic Lake Water Agency, the Newhall County Water District, the Santa Clarita Water Division, and the Valencia Water Company.

6.1.2 One (1) Director appointed by the City Council for the City of Santa Clarita.

6.1.3 One (1) Director appointed by the County of Los Angeles Board of Supervisors.

6.1.4 One (1) Director appointed by Los Angeles County Waterworks District No. 36, Val Verde.

6.2 Initial Directors. The six (6) individuals who were appointed to the predecessor SCV-GSA pursuant to the MOU by a Member or a predecessor in interest to a Member are hereby deemed by the Members to be appointed to the Board of Directors. Consistent with Section 6.1.1 above, the Santa Clarita Valley Water Agency shall appoint one additional director so it has a total of four appointed Directors.

6.3 Alternate Directors. Each Member may also appoint one Alternate Director for each of its members of the Board of Directors. Unless appearing as a substitute for a Director due to absence or conflict of interest, Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board. In such instances, Alternate Directors are not prohibited from attending meetings and may participate in public comment. If a Director is not present, or if a Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board.

6.4 Duties of the Board of Directors. The business and affairs of the SCV-GSA, and all of the powers of the SCV-GSA, including without limitation all powers set forth in Article 4 (Powers), are reserved to and shall be exercised by and through the Board of Directors, except as may be expressly delegated pursuant to this Agreement, bylaws, or by specific action of the Board of Directors.

6.5 Director Terms and Removal. Each Director shall be appointed to serve for a term of two years. A Member's Director may be removed during his or her term or reappointed for multiple terms at the pleasure of the Member that appointed him or her. No individual Director may be removed in any other manner, including by the affirmative vote of the other Directors. The term of an Initial Director shall begin on the date this Agreement becomes effective.

6.6 Vacancies. A vacancy on the Board of Directors shall occur when a Director resigns, is removed, or at the end of the Director's term as set forth in Section 6.5. Upon the vacancy of a Director, the seat shall remain vacant until a replacement Director is appointed as set forth in Section 6.1. Replacement Directors who are appointed to fill vacant seats before the term of such seats have concluded shall inherit the term of the Director they are replacing. Members shall submit any changes in Director positions to the Board Secretary by written notice signed by an authorized representative of the Member.

## **ARTICLE 7. OFFICERS**

7.1 Officers. Officers of the SCV-GSA shall be a chair, vice chair, and secretary. A treasurer shall be appointed consistent with the provisions of Section 13.3. The vice chair shall exercise all powers of the chair in the chair's absence or inability to act.

7.2 Appointment of Officers. Officers shall be appointed annually by, and serve at the pleasure of, the Board of Directors. The initial Officers shall be those that were selected as officers by the members of the predecessor SCV-GSA pursuant to the MOU. Officers shall be appointed thereafter at the first Board meeting following January 1st of each year. Any Officer may resign at any time upon written notice to the Board.

7.3 Principal Office. The principal office of the SCV-GSA shall be established by the Board of Directors, and may thereafter be changed by a simple majority vote of the full Board. The principal office of the SCV-GSA shall be located within the jurisdictional boundaries of one or more of the Members.

## **ARTICLE 8. DIRECTOR MEETINGS**

8.1 Initial Meeting. The initial meeting of the Board of Directors shall be held in the County of Los Angeles, California within sixty (60) days of the Effective Date of this Agreement.

8.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time and place set by the Board within the jurisdictional boundaries of one or more of the Members, and at such times as may be determined by the Board.

8.3 Meetings. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code sections 54950, et seq.). The Board may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by applicable law.

8.4 Local Conflict of Interest Code. The Board of Directors shall adopt a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974 (Government Code sections 81000, et seq.) at the first meeting following the appointment of the Directors.

## **ARTICLE 9. VOTING**

9.1 Quorum. A quorum of any meeting of the Board of Directors shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of a simple majority of Directors present, but no other business may be transacted. For purposes of this Article, a Director shall be deemed present if the Director appears at the meeting in person or participates telephonically or by other electronic means, provided the telephone or electronic appearance is consistent with the requirements of the Ralph M. Brown Act.

9.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director.

9.3 Affirmative Decisions of the Board of Directors - Simple Majority Vote. Except as otherwise specified in this Agreement, all decisions of the Board of Directors shall require the affirmative vote of at least four (4) Directors.

9.4 Matters Requiring Supermajority Vote. Decisions concerning the following matters shall require a supermajority vote of the Directors in order to pass: (1) the adoption of the GSP and any amendments thereto; (2) any amendments to the bylaws; (3) approval of the annual budget; (4) the adoption of any groundwater regulatory or extraction fees; (5) the adoption of any taxes, fees or assessments subject to Proposition 218; (6) a decision to initiate or settle litigation; (7) a decision to commence eminent domain proceedings; and (8) the approval of any agreement between the SCV-GSA and any Member.

## **ARTICLE 10. STAFF AND SERVICES**

10.1 Staff and Services. The SCV-GSA may employ full-time and/or part-time employees, assistants, and independent contractors who may be necessary from time to time to accomplish the purposes of the SCV-GSA, subject to the approval of the Board of Directors. The SCV-GSA may contract with a Member or other public agency or private entity for various services, including without limitation, those related to the SCV-GSA's finances, purchasing, risk management, information technology, and human resources. A written agreement shall be entered between the SCV-GSA and the Member or other public agency or private entity contracting to provide such service, and that agreement shall specify the terms on which such services shall be provided, including without limitation, the compensation, if any, that shall be made for the provision of such services.

10.2 Initial Administration and Staffing. Unless otherwise determined by the Board, SCV Water will manage the administrative operations of the SCV-GSA and the development of the GSP. In connection with this role and pursuant to a separate agreement between SCV Water and the SCV-GSA, SCV Water will provide staff resources to administer the operations of the SCV-GSA and will be authorized to contract directly with consultants and other parties, including the State of California, as required to carry out the direction of the SCV-GSA Board. Unless otherwise provided by the Board,

any procurement, purchasing, and contracting shall be done in accordance with SCV Water's adopted policies. The separate agreement between SCV Water and the SCV-GSA contemplated in this Section shall address the reimbursement of costs and expenses incurred by SCV Water in fulfilling its role and may be reviewed by the Board at any time. A draft of this separate agreement is attached.

**ARTICLE 11.  
BYLAWS**

The Board of Directors may adopt bylaws of the SCV-GSA to govern the day-to-day operations of the SCV-GSA.

**ARTICLE 12.  
COMMITTEES**

12.1 Board Committees. The Board of Directors may from time to time establish one or more standing or ad hoc committees consisting of Directors to assist in carrying out the purposes and objectives of the SCV-GSA, including but not limited to a Budget and Finance Committee, Planning Committee, and an Executive Committee. The Board of Directors shall determine the purpose and need for such committees. Meetings of standing committees shall be subject to the requirements of the Brown Act.

12.3 Other Committees. The Board may from time to time and in its discretion establish any other committees to assist in carrying out the purposes and objectives of the SCV-GSA.

**ARTICLE 13.  
ACCOUNTING PRACTICES**

13.1 General. The Board of Directors shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The SCV-GSA shall maintain strict accountability of all funds and report all receipts and disbursements of the SCV-GSA.

13.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the SCV-GSA shall run concurrent with the fiscal year of SCV Water.

13.3 Appointment of Treasurer and Auditor; Duties. The Treasurer shall be the Chief Finance Officer of SCV Water and the Auditor shall be appointed by the Board in the manner, and shall perform such duties and responsibilities, specified in sections 6505, 6505.5 and 6505.6 of the Act. The Treasurer shall be bonded in accordance with the provisions of section 6505.1 of the Act.

**ARTICLE 14.  
BUDGET AND EXPENSES**

14.1 Budget. Within one hundred twenty (120) days after the first meeting of the Board of Directors, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget for the SCV-GSA for the ensuing fiscal year. In the event that a budget is not so approved, the prior year's budget shall be deemed approved for the ensuing fiscal year, and any groundwater extraction fee or assessment(s) of contributions of Members, or both, approved by the Board during the prior fiscal year shall again be assessed in the same amount and terms for the ensuing fiscal year.

14.2 SCV-GSA Funding and Initial Contributions.

14.2.1 Funding Account. For the purpose of funding the expenses and ongoing operations of the SCV-GSA, the Board of Directors shall maintain a funding account in connection with the annual budget process. The Board of Directors may fund the SCV-GSA as provided in Chapter 8 of SGMA, commencing with section 10730 of the Water Code.

14.2.2 Annual Member Contributions. In order to fund the SCV-GSA and continue to develop the GSP, prior to the adoption and approval of a GSP, the Members must and hereby agree to contribute a non-reimbursable twenty thousand dollars (\$20,000) each fiscal year to the SCV-GSA for the first five fiscal years. After the fifth fiscal year, the Board shall consider the appropriate level of annual payments. The first payment of twenty thousand dollars (\$20,000) shall be paid to the SCV-GSA within thirty (30) days of the execution of this Agreement for fiscal year 2017-18. Payments for subsequent fiscal years shall be paid to the SCV-GSA within thirty (30) days after the start of each fiscal year thereafter. These contributions shall be used for any purpose authorized for payment from fees imposed pursuant to California Water Code Section 10730, including administrative and consulting costs.

14.3 Issuance of Indebtedness. The SCV-GSA may issue bonds, notes, or other forms of indebtedness, as permitted under Section 4.5, provided such issuance be approved at a meeting of the Board.

14.4 Future Member Contributions. In the event the cost of the ongoing administration of the SCV-GSA and/or the development, adoption, and ongoing administration of the GSP exceeds the Members' initial contributions, the Board may, by a super-majority vote, adopt a resolution requiring each of the Members to provide additional non-reimbursable funding, above the annual contributions, to the SCV-GSA and demonstrating in detail (1) the need for funding and (2) the purposes for which additional funding will be utilized. Upon receipt of the resolution requesting additional funding, the Members may meet and confer regarding the request; however, each Member shall consider and act upon the request no later than sixty (60) days following the adoption of the resolution by the Board.

14.5 Voluntary Member Contributions. Nothing in this Agreement shall prohibit a member from making voluntary monetary or in-kind contributions to the SCV-GSA at any time. To the extent the SCV-GSA is able to secure other funding sources, and to the extent permitted by law, the SCV-GSA shall reimburse voluntary Member contributions provided pursuant to this Section 14.5. The SCV-GSA's authority to reimburse such contributions shall be considered a cost of the SCV-GSA's groundwater sustainability program. Notwithstanding the SCV-GSA's obligation to reimburse voluntary Member contributions pursuant to this Section 14.5, a Member who makes a voluntary contribution may, in its discretion, elect to make any such voluntary contribution non-reimbursable.

**ARTICLE 15.  
LIABILITIES**

15.1 Liability. In accordance with Government Code section 6507, and as authorized by Government Code Section 6508.1, the debt, liabilities, and obligations of the SCV-GSA shall be the debts, liabilities, and obligations of the SCV-GSA alone, and not the Members.

15.2 Indemnity. To the fullest extent permitted by law, funds of the SCV-GSA may be used to defend, indemnify, and hold harmless the SCV-GSA, each Member, each Director, and any officers, agents, and employees of the SCV-GSA for their actions taken within the course and scope of their duties while acting on behalf of the SCV-GSA. To the fullest extent permitted by law, the SCV-GSA agrees to save, indemnify, defend, and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part, to acts or omissions of the SCV-GSA or its employees, officers or agents or negligent acts or omissions (not including gross negligence or wrongful conduct) of the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the SCV-GSA. In addition, to the fullest extent permitted by law, the SCV-GSA shall indemnify, defend and hold harmless, each Member from any liabilities incurred as a result of handling, receipt, use, or disposal of hazardous materials, hazardous substances, and hazardous wastes however defined under Federal, State, or local laws, ordinances, or regulations.

15.3 Privileges and Immunities. All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers compensation, and other benefits which apply to the activity of officers, agents, or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board of Directors shall be deemed, by reason of their employment by the Board of Directors, to be employed by any of the Members or, by reason of their employment by the Board of Directors to be subject to any of the requirements of such Members.

15.4 Liability Insurance. The Board of Directors shall obtain, and maintain in effect, appropriate liability insurance to cover the activities of the SCV-GSA's Directors and staff in the ordinary course of their duties.

15.5 Bond – Property of the Agency. Whomever is designated to be responsible for the handling of SCV-GSA property shall be required to file an official bond in an amount to be determined by the Board consistent with Government Code section 6505.1. SCV-GSA shall pay for the required bond.

## **ARTICLE 16. WITHDRAWAL AND TERMINATION**

16.1 Unilateral Withdrawal. Any Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon one hundred eighty (180) days written notice. Such notice shall be provided to the Board Secretary, the Board of Directors, and each of the Members. If a Member withdraws, this Agreement will continue in full force and effect among the remaining Members.

16.2 Termination of Members. As an alternative to pursuing litigation against a Member for failure to meet its obligations as set forth in this Agreement or as may be adopted by the Board from time to time, the Board may vote to terminate such Member. Termination may be effected by the vote



of all but one of the current Directors. In the event of a termination, this Agreement shall continue in full force and effect among the remaining members.

16.3 Rescission or Termination of SCV-GSA. This Agreement may be rescinded and the SCV-GSA terminated by unanimous written consent of all Members, except during the outstanding term of any SCV-GSA indebtedness.

16.4 Effect of Withdrawal or Termination. Upon termination of this Agreement, unilateral withdrawal, or termination of a Member, a Member shall remain obligated to pay its share of all debts, liabilities, and obligations required of the Member pursuant to terms of this Agreement, and that were incurred or accrued prior to the effective date of such termination or withdrawal, including, without limitation, those debts, liabilities, and obligations pursuant to Sections 4 and 14. For purposes of this Agreement, annual contributions are incurred or accrued as of the effective date of this Agreement and the first day of every fiscal year thereafter. Any Member who withdraws or is terminated from the SCV-GSA shall have no right to participate in the business and affairs of the SCV-GSA or to exercise any rights of a Member under this Agreement or the Act, but shall continue to share in reimbursements, if any, from the SCV-GSA on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the SCV-GSA shall not receive reimbursements, if any, in excess of the reimbursable contributions made to the SCV-GSA while a Member.

16.5 Return of Contribution. Upon termination of this Agreement, any surplus money on-hand shall be returned to the Members in proportion to their contributions made. To the extent permitted by law, the Board of Directors shall first offer any property, works, rights, and interests of the SCV-GSA for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board of Directors shall offer the property, works, rights, and interest of the SCV-GSA for sale to any non-member for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members in proportion to their contributions made.

## **ARTICLE 17. SPECIAL PROJECTS**

17.1 Special Projects and Committees. In addition to the general activities undertaken by all Members of the SCV-GSA, the SCV-GSA may initiate Special Projects and form Special Project Committees that involve fewer than all Members. No Member shall be required to be involved in a Special Project that involves fewer than all Members.

17.2 Special Project Agreement. With the unanimous approval of the Directors, Members may undertake Special Projects in the name of the SCV-GSA. Prior to undertaking a Special Project, the Members electing to participate in the Special Project shall enter into an activity agreement. Such activity agreement shall provide that (i) no Special Project undertaken pursuant to such agreement shall conflict with the terms of this Agreement; and (ii) the Members to the activity agreement shall indemnify, defend, and hold the SCV-GSA, and the SCV-GSA's other Members, harmless from and against any liabilities, costs, or expenses of any kind resulting from the Special Project described in the activity agreement. All assets, rights, benefits, debts, liabilities, and obligations attributable to a Special Project shall be assets, rights, benefits, debts, liabilities, and obligations solely of the Members that have entered into the activity agreement for that Special Project, in accordance with the terms of the activity



agreement, and shall not be the assets, rights, benefits, debts, liabilities, and obligations of those Members that have not executed the activity agreement. Members not electing to participate in the Special Project shall have no rights, benefits, debts, liabilities, or obligations attributable to such Special Project.

## **ARTICLE 18. MISCELLANEOUS PROVISIONS**

18.1 No Predetermination or Irretrievable Commitment of Resources. Nothing herein shall constitute a determination by the SCV-GSA or any of its Members that any action shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

18.2 Public Involvement. The SCV-GSA shall comply with all of the requirements in SGMA regarding public outreach and involvement, including but not limited to Water Code sections 10723.2 and 10723.4.

18.3 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the Board Clerk, City Clerk, or Board Secretary of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service, or electronic mail.

18.4 Amendments to Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by all of the Members.

18.5 Agreement Complete. The foregoing constitutes the full and complete Agreement of the Members. This Agreement supersedes all prior agreements and understandings, whether in writing or oral, related to the subject matter of this Agreement that are not set forth in writing herein.

18.6 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions of this Agreement shall not be affected thereby, provided, however, that if the remaining parts, terms, or provisions do not comply with the Act, this Agreement shall terminate.

18.7 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of this Agreement as to the remaining Members shall not be affected thereby.

18.8 Assignment. The rights and duties of the Members may not be assigned or delegated without the written consent of all Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

18.9 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors, and assigns of the Members, whose assignments have complied with Section 18.7 herein.

18.10 Dispute Resolution. In the event that any dispute arises among the Members relating to (i) this Agreement, (ii) the rights and obligations arising from this Agreement, (iii) a Member proposing to withdraw from membership in the SCV-GSA, or (iv) a Member proposing to initiate litigation in relation to legal rights to groundwater within, or the management of, the Basin, the aggrieved Member or Members proposing to withdraw from membership shall provide written notice to the other Members of the controversy or proposal to withdraw from membership. Within thirty (30) days after such written notice, the Members shall attempt in good faith to resolve the controversy through informal means. If the Members cannot agree upon a resolution of the controversy within thirty (30) days from the providing of written notice specified above, the dispute shall be submitted to mediation prior to commencement of any legal action or prior to withdrawal of a Member proposing to withdraw from membership. The mediation shall be no less than a full day (unless agreed otherwise among the Members) and the cost of mediation shall be paid in equal proportion among the Members. The mediator shall be either voluntarily agreed to, or, if the parties cannot agree upon a mediator, appointed by the Superior Court upon a suit and motion for appointment of a neutral mediator. Upon completion of mediation, if the controversy has not been resolved, any Member may exercise all rights to bring a legal action relating to the controversy or withdraw from membership as otherwise authorized pursuant to this Agreement. The SCV-GSA shall also participate in mediation upon request by a Director concerning a dispute alleged by the Director concerning the management of the Basin or rights to extract groundwater from the Basin, with the terms of such mediation to be conducted in the same manner provided for in this Section 18.9 for disputes between or among Members.

18.11 Counterparts. This Agreement may be executed in counterparts. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterpart executed by the other Members to this Agreement is in the physical possession of the Member seeking enforcement thereof.

18.12 Singular Includes Plural. Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

18.13 Member Authorization. The governing bodies of the Members have each authorized execution of this Agreement, as evidenced by the respective signatures below.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement by authorized officials thereof on the dates indicated below, which Agreement may be executed in counterparts.

*[Signatures on Following Page]*

SANTA CLARITA VALLEY WATER AGENCY

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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

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

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

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

CITY OF SANTA CLARITA

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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

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

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

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

LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 36, Val Verde

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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

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

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

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

THE COUNTY OF LOS ANGELES

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

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

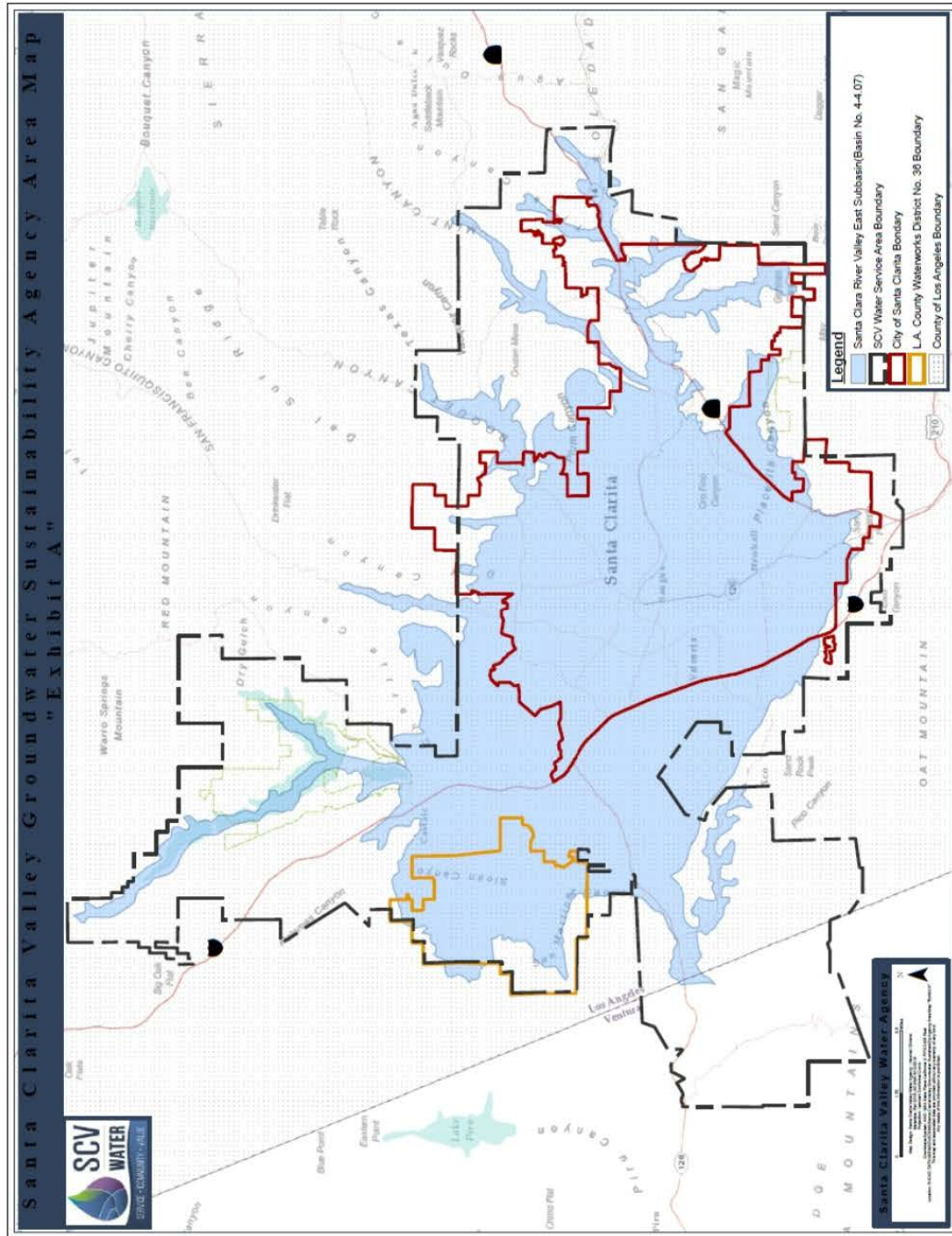
By: \_\_\_\_\_

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

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

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EXHIBIT A



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## ATTACHMENT

### ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT (this “Agreement”) is entered into as of \_\_\_\_\_, 2018 (“Effective Date”) by and between the SANTA CLARITA VALLEY WATER AGENCY, a California special act agency (Chapter 833, Statutes of 2017) (“SCV Water”) and THE SANTA CLARITA VALLEY GROUNDWATER SUSTAINABILITY AGENCY, a California joint powers authority (“SCV-GSA”).

#### RECITALS

- A. SCV-GSA is a joint powers authority created by SCV Water, the City of Santa Clarita, Los Angeles County Public Waterworks District No. 36, Val Verde, and the County of Los Angeles pursuant to the Joint Exercise of Powers Agreement dated [\_\_\_\_\_] (JPA Agreement) to act as and perform the functions of a Groundwater Sustainability Agency pursuant to the Sustainable Groundwater Management Act, Water Code section 10720 et seq. (“SGMA”) for the Santa Clara River Valley East Subbasin, groundwater basin number 4-4.07 (“Basin”), per the State of California, Department of Water Resources (DWR) Groundwater Bulletin 118 (Bulletin 118).
- B. Pursuant to Bulletin 118, the Basin is designated a high-priority basin that is not in a state of critical overdraft.
- C. SGMA Section 10720.7 states that by January 31, 2022, all basins designated high- or medium-priority that are not in a state of critical overdraft shall be managed under a Groundwater Sustainability Plan (GSP) for the sustainable management of the Basin, which GSP must be finalized and submitted to DWR on or before January 31, 2022.
- D. SCV-GSA requires the services of consultants, experienced staff and support personnel to assist in the development of the GSP for the Basin and to carry out the activities of the GSA and desires to obtain such services in a cost-effective and efficient manner.
- E. SCV Water has adopted procurement, purchasing and contracting policies and has developed qualified staff and procedures for handling financial, administrative and human resource functions for the operations of SCV Water and has the capacity to provide those services to SCV-GSA.
- F. SCV-GSA desires, and SCV Water is willing, to have SCV Water negotiate and enter into contracts directly with consultants and other parties, including the State of California, as necessary to carry out the direction of the SCV-GSA Board.
- G. SCV Water is willing to provide certain administrative and ancillary services to SCV-GSA in accordance with the terms and conditions set forth herein.



**NOW, THEREFORE**, in consideration of the foregoing and mutual covenants set forth herein, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## **ARTICLE I AGREEMENT AND TERM**

1.1 Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, undertakings and agreements. Neither party will be bound by or deemed to have made in connection herewith any representations, warranties, commitments or undertakings other than those expressly set forth herein.

1.2 Term. The “Term” of this Agreement commences on the Effective Date and will continue until terminated by either of the parties pursuant to Article VI of this Agreement.

## **ARTICLE II SERVICES**

2.1 Services. SCV-GSA and SCV Water hereby agree that SCV Water will provide the Services, as described below, during the Term on the terms and conditions set forth in this Agreement.

2.1.1 General Services. Unless directed in writing to the contrary by SCV-GSA, SCV Water shall perform or cause to be performed the following management, financial, administrative and support services in connection with SCV-GSA’s operations (General Services, when taken together with Contracting Services set forth in Section 2.1.2 below, are referred to collectively herein as “Services”):

a. SCV Water shall assist SCV-GSA with the development of a GSP and compliance with all legal and regulatory requirements related to such.

b. SCV Water shall assist SCV-GSA with the administration of purchasing and accounts payable. At the request of SCV-GSA, SCV Water shall use its purchasing department to source and procure goods, hardware and equipment that are used in SCV-GSA operations;

c. SCV Water shall manage all funds of SCV-GSA using a separate bank account that is in the name of SCV-GSA and used strictly for SCV-GSA purposes (the “SCV-GSA Account”). The SCV-GSA Account shall be funded pursuant to Article 14 of the JPA Agreement. SCV Water shall have full authority to deposit and withdraw funds from the SCV-GSA Account in connection with the performance by SCV Water of the services to be provided hereunder and in accordance with duly adopted SCV-GSA policy and/or SCV-GSA Board authorization. SCV Water shall keep accurate records of all transactions involving SCV-GSA funds and provide cash flow and other cash management reports as may be requested by the SCV-GSA.

d. SCV Water shall provide bookkeeping and accounting, budgeting, financial reporting and other usual and customary financial services and information to SCV-GSA for the Term. All financial statements and reports shall be provided in accordance with accounting standards applicable to government agencies.

e. SCV Water shall administer SCV-GSA's insurance program, including assistance in procuring and maintaining insurance coverages. With the consent of SCV-GSA, SCV Water may include SCV-GSA as an additional insured entity under SCV Water's insurance coverage rather than obtaining separate coverage.

f. SCV Water will provide SCV-GSA with IT services as necessary for SCV-GSA to conduct its operations subject to the terms set forth in Section 2.6.

g. SCV Water shall provide any other assistance or "back-office services" reasonably requested by SCV-GSA in connection with the administration of SCV-GSA.

h. SCV Water will provide office space and facilities from time to time for the conduct of SCV-GSA meetings and such other activities for which facilities may reasonably be necessary.

#### 2.1.2 Contracting Services.

a. SCV Water shall make and enter into contracts to secure the services of consultants and other professionals as necessary for the development and implementation of the GSP and performance of the Services. Any such contract shall be made for the benefit of SCV-GSA and all debts, liabilities, or obligations related thereto shall be the debts, liabilities, or obligations of SCV-GSA. SCV Water must obtain the approval of the SCV-GSA before entering into any contract for consultant services that exceeds one hundred thousand dollars (\$100,000). SCV Water may enter into consulting contracts that are less than one hundred thousand dollars (\$100,000) without the prior approval of the Board provided that such are consistent with the approved budget.

b. All payments for services performed pursuant to contracts entered into by SCV Water pursuant to this section shall be made from the SCV-GSA Account.

2.2 Advances by SCV Water. As part of the cash management services provided hereunder, SCV Water, with the consent of SCV-GSA, may advance funds on behalf of SCV-GSA from time to time as necessary to cover the costs of goods procured and services provided pursuant to this Agreement and any other agreement between SCV Water and SCV-GSA. Notwithstanding the foregoing, and except as provided herein, SCV Water shall have no obligation to finance or provide funding for any payment obligations of SCV-GSA, all of which shall remain the sole responsibility of SCV-GSA.

2.3 Personnel. SCV Water shall provide and make available as necessary all professional, supervisory, managerial, administrative and other personnel as are necessary to perform the Services, which personnel may be employees or independent contractors of SCV Water. The working hours, rates of compensation and all other matters relating to the use of individuals employed by SCV Water in the performance of the Services shall be determined

solely by SCV Water and SCV Water shall be solely responsible therefore. No such employee shall be considered employed by or under the control or supervision of SCV-GSA.

2.4 Tools and Equipment. SCV Water shall provide all tools and equipment necessary to carry out the Services, including software, computers, equipment and supplies. SCV Water may provide SCV-GSA with access to certain software programs, computers or servers owned and operated by SCV Water, provided, however, that such access shall be subject to the requirements of all license agreements to which SCV Water is a party and SCV-GSA shall strictly comply with the security requirements and protocols which are necessary for access to SCV Water information technology systems and servers.

2.5 Authority of SCV Water. Except as expressly set forth in this Agreement for the purpose of carrying out the Services, SCV Water shall not be deemed an agent or representative of SCV-GSA. Unless specifically authorized in writing by SCV-GSA, SCV Water shall have no authority to (i) represent SCV-GSA in any regulatory or legal proceedings or settle, compromise, assign or release any claim, suit, debt, demand or judgment against or due to SCV-GSA, or (ii) borrow or lend any money on behalf of or in the name of SCV-GSA. SCV Water shall have the authority to enter into purchase orders and contracts on behalf of SCV-GSA as reasonably necessary to carry out the Services. Purchase orders and contracts that exceed one hundred thousand dollars (\$100,000) must be preapproved by the SCV-GSA.

2.6 Preservation of Separateness. In performing its obligations hereunder, SCV Water shall at all times take reasonable steps to ensure the legal separateness of the activities and operations of SCV Water from the activities and operations of SCV-GSA carried out by SCV Water in accordance with this Agreement. Specific examples of maintenance of separateness include, without limiting the foregoing:

- a. maintaining books, accounting and other operational and financial records, and other entity documents separate from those of SCV Water;
- b. preparing reports and financial statements with respect to SCV-GSA;
- c. not holding SCV-GSA out to be responsible for the debts or obligations of SCV Water or vice versa; and
- d. not paying any liabilities, obligations or expenses of SCV-GSA out of the funds of SCV Water (except for advances made by SCV Water pursuant to this Article II).

### **ARTICLE III ITEMS TO BE FURNISHED BY SCV-GSA**

3.1 General. SCV-GSA shall furnish, or cause to be furnished, to SCV Water, at SCV-GSA's expense, such information, documentation, services and materials which are not in the normal possession of SCV Water and which are reasonably requested by SCV Water to perform the Services and to otherwise fulfill its obligations under this Agreement. All such items shall be made available at such times and in such manner as may be required by SCV Water for the expeditious and orderly performance of the Services. SCV Water shall not be

deemed in default hereunder for any non-performance or delay attributable to SCV-GSA's failure to deliver such information to SCV Water on a reasonably timely basis.

#### **ARTICLE IV PERSONNEL AND REPORTING**

4.1 SCV Water Representative. The General Manager of SCV Water or his designee ("SCV Water Representative") shall have the authority to bind SCV Water with respect to all matters concerning this Agreement and the Services. At any time, SCV Water Representative may act through or be represented by one or more individuals appointed by SCV Water.

4.2 Reports and Information. SCV Water shall furnish or cause to be furnished such reports and information concerning the Services or SCV-GSA as may be reasonably requested by SCV-GSA from time to time.

#### **ARTICLE V COMPENSATION**

5.1 Reimbursement of Costs and Expenses. Unless otherwise provided herein, SCV-GSA shall reimburse SCV Water for all of SCV Water's costs and expenses associated with providing the Services consistent with the budget and details in the attached Exhibit "A". The SCV-GSA shall update Exhibit A as necessary following budget adoption or budget modification. SCV Water shall provide SCV-GSA with a monthly invoice for its time, costs and expenses that are subject to reimbursement and SCV-GSA shall pay such invoices within thirty (30) days of receipt. It is the understanding of the parties that state grant funds are available to pay for some of the costs of preparing the GSP. Such grant funds shall be used to reimburse SCV Water for its costs incurred in the preparation of the GSP consistent with the requirements of the State. To the extent SCV Water enters into a grant agreement directly with the state on behalf of or for the benefit of the SCV-GSA to support the development of the GSP with the consent of the SCV-GSA, such funds may be directly deposited with and used by SCV Water consistent with the terms of the grant. Any such grant funds directly received by SCV Water shall offset any obligations of the SCV-GSA to reimburse SCV Water for an equivalent amount of funds and shall be accounted for as such. Except as otherwise covered by this Agreement, the SCV-GSA shall be responsible for all liabilities and obligations in the state grant agreement, including any local cost share requirement.

#### 5.2 Insufficient Funds and SCV Water Voluntary Member Contributions.

5.2.1 General Services. In the event the SCV-GSA Account does not contain sufficient funds to cover costs or expenses properly incurred and timely invoiced for General Services performed by SCV Water pursuant to this Agreement, SCV Water will continue to provide the General Services for the Term. In such instances, SCV Water will keep an account of the costs and expenses and shall be entitled to reimbursement when such funds become available.

5.2.2 Consultant Services. In the event the SCV-GSA Account does not contain sufficient funds to cover costs or expenses properly incurred and timely invoiced for Consultant Services, SCV Water may, in its discretion, advance SCV Water funds to cover any difference

between the amount invoiced and owing under the applicable contract and the funds available in the SCV-GSA Account. SCV Water shall be entitled to reimbursement of all such unpaid costs and expenses and advances when such funds become available.

5.2.3 Member Contribution. Notwithstanding SCV-GSA's obligation to reimburse SCV Water, SCV Water may choose, in its discretion, to forgo any reimbursements it is otherwise entitled to pursuant to this Agreement, as well as any advances, and classify such as voluntary nonreimbursable Member contributions, including in-kind contributions, consistent with Section 14.5 of the JPA Agreement.

## **ARTICLE VI TERMINATION**

6.1 Termination. Either party may terminate this Agreement, in its discretion, at any time for convenience, upon thirty (30) days prior written notice to the other party. If not terminated earlier pursuant to this Section, this Agreement will terminate five (5) years from the Effective Date unless otherwise extended by SCV-GSA.

6.2 Rights upon Termination. Upon any expiration or termination of this Agreement, SCV Water shall deliver to SCV-GSA at SCV-GSA's principal place of business all available records, documents, accounts, files and other data of SCV-GSA or pertaining to the Services provided on behalf of SCV-GSA or as SCV-GSA may reasonably request. Expiration or termination of this Agreement shall not relieve any party hereto of liability that has accrued or arisen prior to the date of such expiration or termination.

## **ARTICLE VII INDEMNIFICATION**

### 7.1 Indemnification.

a. SCV Water shall indemnify, defend and hold harmless SCV-GSA, its shareholders, directors, officers, employees and agents from and against any and all claims, demands or causes of action, (collectively, "Claims"), directly arising from the negligent acts or willful misconduct of SCV Water, its agents or employees, in carrying out the Services.

b. SCV-GSA shall indemnify, defend and hold harmless SCV Water, its shareholders, directors, officers, employees and agents from and against any and all Claims which arise from (i) SCV-GSA operations; or (ii) resulting from the negligent acts or willful misconduct of SCV-GSA, its agents or employees.

c. The indemnifying party will reimburse the indemnified party for any and all costs, liabilities, judgments, and expenses (including attorneys' fees) reasonably incurred by the indemnified party in connection with the delegating, preparing for, and defending against any such claim, demand, or cause of action, whether or not resulting in any liability, and any amount paid in settlement of any litigation, commenced, or threatened, or of any such Claim, demand, or cause of action if such settlement is effected with the written consent of such indemnifying party.

7.2 Third Party Indemnification or Reimbursement. To the extent that SCV-GSA receives reimbursement or indemnity with respect to any cost or claim in connection with the development of the GSP from any other third party, SCV-GSA will allocate to SCV Water that portion of the reimbursement or indemnity payment or obligation that is attributable to or incurred by SCV Water.

## **ARTICLE VIII LIABILITIES OF THE PARTIES**

8.1 Limitations of Liability. Notwithstanding any provision in this Agreement to the contrary, neither party hereto, nor any of their respective officers, directors, employees, agents, shareholders, or representatives shall be liable in connection with this Agreement or the Services for any consequential or indirect loss or damage, including loss of revenues, cost of capital, loss of goodwill, increased operating costs or any other special or incidental damages, including any punitive or exemplary damages. Except as expressly provided in Section 7.1, SCV Water shall have no liability hereunder to SCV-GSA for damages or other amounts in connection with a breach by SCV Water of this Agreement or a failure by SCV Water to perform the Services in accordance with the terms and conditions hereof or as a result of the Services performed by SCV Water pursuant to this Agreement; and, except as otherwise expressly provided in this Section and in Section 7.1, the parties agree that SCV-GSA's only remedy for breach of this Agreement by SCV Water shall be to terminate this Agreement pursuant to and in accordance with Article VI. The parties further agree that the waivers and disclaimers of liability, indemnities, releases from liability, and limitations on liability expressed in this Agreement shall survive termination or expiration of this Agreement, and shall apply whether in contract, equity, tort or otherwise, even in the event of the fault, negligence, including sole negligence, strict liability, or breach of the party indemnified, released or whose liabilities are limited, and shall extend to the partners, principals, shareholders, directors, officers, employees and agents of each party. Each party's maximum liability to the other with respect to all claims arising out of this Agreement shall be limited to the amount payable hereunder. The foregoing limitation of liability will not apply with respect to Claims arising out of SCV-GSA's or SCV Water's acts of negligence or willful misconduct.

8.2 No Warranties or Guarantees. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY HERETO MAKES ANY WARRANTIES OR GUARANTEES TO THE OTHER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES OR ANY OTHER SUBJECT MATTER OF THIS AGREEMENT, AND EACH PARTY DISCLAIMS AND WAIVES ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW.

## **ARTICLE IX MISCELLANEOUS PROVISIONS**

9.1 Documents. All materials and documents prepared or developed for SCV-GSA by SCV Water or its affiliates, employees, or representatives in connection with the performance of the Services, including all records, reports, and accounts, together with any materials and documents furnished to SCV Water by SCV-GSA, are the property of SCV-GSA and shall be delivered to SCV-GSA upon expiration or termination of this Agreement; provided that SCV



Water may retain copies for its own files. If SCV Water wishes to dispose of any such materials and documents prior to the expiration or termination of this Agreement, SCV Water shall so advise SCV-GSA, and if SCV-GSA objects to such disposal it shall so notify SCV Water and shall designate to SCV Water a place for delivery of such materials and documents to SCV-GSA.

9.2 Assignment. This Agreement shall not be assignable by either party hereto without the prior written consent of the other party. No assignment by any party to this Agreement for any purpose whatsoever shall be valid until all obligations of the assignor hereunder shall have been assumed by the assignee by written agreement delivered to the other parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and all of their successors and permitted assigns. Any assignment that does not comply with the provisions of this Section 9.2 shall be null and void.

9.3 Independent Contractor. SCV Water shall be an independent contractor with respect to the performance of the Services hereunder. Neither SCV Water, nor its employees or other agents employed in the Services, shall be deemed to be agents of SCV-GSA, except to the extent of the limited agency created hereunder pursuant to the authority granted to SCV Water under Article II.

9.4 Amendments. No amendments or modifications of this Agreement shall be valid unless evidenced in writing and signed by duly authorized representatives of SCV-GSA and SCV Water.

9.5 Survival. Notwithstanding any provisions herein to the contrary, the provisions set forth in Articles V, VI, VII and VIII shall survive the expiration or termination of this Agreement.

9.6 Non-Waiver. It is understood and agreed that any delay, waiver or omission by SCV-GSA or SCV Water to exercise any right or power arising from any breach or default by SCV-GSA or SCV Water with respect to any of the terms, provisions or covenants of this Agreement shall not be construed to be a waiver by SCV-GSA or SCV Water of any subsequent breach or default of the same or other terms, provisions or covenants on the part of SCV-GSA or SCV Water. No waiver of any right or power by any party under this Agreement shall be deemed effective unless in writing, signed by the waiving party.

9.7 Notices. Any written notice, direction, instruction, request or other communication required or permitted under this Agreement shall be deemed to have been duly given on the date of receipt, and shall be (i) served personally to the party to whom notice is to be given, or (ii) sent by a recognized overnight courier service, such as Federal Express, to the party to whom notice is to be given; and addressed to the addressee at the address stated opposite its name below, or at the most recent address specified by written notice given to the other party in the manner provided in this Section 9.7.

SCV WATER: Santa Clarita Valley Water Agency  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350  
Attention: General Manager

SCV-GSA: Santa Clarita Valley Groundwater Sustainability Agency  
27234 Bouquet Canyon Road  
Santa Clarita, CA 91350

Attention: Board Secretary

9.8 Counterparts. The parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be signed by both the parties, and each counterpart shall be deemed an original instrument as against any party who has signed it.

9.9 Governing Law and Venue. This Agreement shall be governed by the laws of the State of California, without regard to principles of conflicts of laws. Any action brought to enforce the terms of this Agreement shall be in the federal and state courts, as applicable, located in the County of Los Angeles, California.

9.10 Partial Invalidation. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the rest of this Agreement shall remain in full force and effect and in no way be affected, impaired, or invalidated.

9.11 Captions; Table of Contents. Titles or captions of Sections and Articles contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, describe or otherwise affect the scope or meaning of this Agreement or the intent of any provision hereof as though fully set forth herein.

9.12 Not for Benefit of Third Parties. This Agreement and each and every provision thereof is for the exclusive benefit of SCV-GSA and SCV Water and is not for the benefit of any third party. The provisions of this Agreement are enforceable solely by the parties to this Agreement, and no other shall have the right to enforce any provision of this Agreement or to compel any party to this Agreement to comply with the terms of this Agreement.

*[signature page follows]*



IN WITNESS WHEREOF, the parties have executed this Administrative Services Agreement through their duly authorized officers as of the date set forth in the Preamble to this Agreement.

SANTA CLARITA VALLEY WATER AGENCY

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

SANTA CLARITA VALLEY GROUNDWATER  
SUSTAINABILITY AGENCY

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

EXHIBIT "A"

The table below will be updated following adoption of the budget by the SCV-GSA Board of Directors.

<b>Estimated Initial SCV-GSA Budget (June 2018)</b>						
<b>Budget Summary</b>	<b>FY 17/18</b>	<b>FY 18/19</b>	<b>FY 19/20</b>	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>Total</b>
<b>Table 1 Total SCV Water Staff</b>	<b>\$ 23,000</b>	<b>\$ 230,000</b>	<b>\$ 224,000</b>	<b>\$ 229,000</b>	<b>\$ 186,000</b>	<b>\$ 892,000</b>
<b>Table 2 Total Consultant Services*</b>	<b>\$ 125,000</b>	<b>\$ 765,000</b>	<b>\$ 415,000</b>	<b>\$ 295,000</b>	<b>\$ 220,000</b>	<b>\$1,820,000</b>
<b>Total Estimated Staff and Consultant</b>	<b>\$ 148,000</b>	<b>\$ 995,000</b>	<b>\$ 639,000</b>	<b>\$ 524,000</b>	<b>\$ 406,000</b>	<b>\$2,712,000</b>
<b>Revenue For GSP Development</b>						
Estimated Grant Reimbursement		\$ 118,125	\$ 163,125	\$ 57,375	\$ 24,750	\$363,375
Member contributions	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$400,000
Additional Revenue required*	\$ 68,000	\$ 796,875	\$ 395,875	\$ 386,625	\$ 301,250	\$1,948,625
<b>Total Revenue for GSP Development</b>	<b>\$ 148,000</b>	<b>\$ 995,000</b>	<b>\$ 639,000</b>	<b>\$ 524,000</b>	<b>\$ 406,000</b>	<b>\$2,712,000</b>
<b>Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\*SCV Water may, in its discretion, advance these funds, or provide a voluntary nonreimbursable Member contribution.

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**RESOLUTION NO. XXXX**

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

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

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

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

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

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

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

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

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

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

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

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

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

1. The Board hereby finds and determines that the approval of the agreement forming the Joint Powers Authority for the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) and execution of the Contract for SCV Water to Provide Management and Technical Services to SCV-GSA is not a project as defined by CEQA and therefore is not subject to environmental review. Specifically, the Board finds that, pursuant to CEQA Guideline section 15378(b)(5), the approval actions do not constitute a project because they are "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment." In the alternative, and assuming the approval of the subject agreement and contract constitutes a project under CEQA, the Board finds that these actions, individually and in the aggregate, are exempt from CEQA pursuant to State CEQA Guidelines sections 15307 and 15308, each of which exempts actions, as authorized by state law, taken by regulatory agencies that are designed to assure the maintenance, restoration, enhancement, or protection of the environment or a natural resource where the regulatory process involves procedures for protection of the environment. In addition, the Board finds that these actions are exempt from further review under CEQA because it can be seen with certainty that there is no possibility that these actions may have a significant effect on the environment pursuant to State CEQA Guidelines section 15061(b)(3).

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

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

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



# BOARD MEMORANDUM

ITEM NO.  
6.2

**DATE:** July 24, 2018

**TO:** Board of Directors

**FROM:** Dirk Marks *DM*  
Director of Water Resources

**SUBJECT:** Appoint a Fourth Santa Clarita Valley Groundwater Sustainability Agency Director and Alternate Director, and Designate a Single Alternate Director for Each Existing Director

## SUMMARY AND DISCUSSION

Under separate Agenda Item 6.1, the Water Resources and Watershed Committee recommended that SCV Water execute the Santa Clarita Valley Groundwater Sustainability Agency (SCV-GSA) Joint Powers Agreement (JPA Agreement). The JPA Agreement would supersede the existing Memorandum of Understanding that governs the SCV-GSA. We anticipate each JPA member agency will execute the JPA Agreement prior to the September 10, 2018 meeting of the SCV-GSA.

The JPA Agreement requires SCV Water appoint a fourth SCV-GSA Director. Additionally, the JPA Agreement allows for, but does not require, appointment of Alternate Directors. Existing SCV-GSA Directors and Alternate Directors named in the table below would begin a two-year term as Directors or Alternate Directors although the JPA Agreement allows the SCV Water Board of Directors to reappoint or change its appointed Directors at any time.

SCV-GSA Appointed Directors and Alternate Directors (appointed under MOU)	
Director	Existing Alternate Directors
Bill Cooper	Jerry Gladbach or R.J. Kelly
Gary Martin	Jerry Gladbach or R.J. Kelly
B.J. Atkins	Maria Gutzeit

Board action is required to appoint a fourth Director and an alternate for that Director to the SCV-GSA.

## FINANCIAL CONSIDERATIONS

The increase in the number of SCV Water's SCV-GSA Directors would result in minor increase in SWC Water expenses as appointed Directors or Alternative Directors would receive a stipend for attending SCV-GSA meetings.

## RECOMMENDATION

Staff recommends the Board appoint a fourth Director and Alternate Director to the SCV-GSA. In addition, for clarity and efficiency, staff also recommends the Board select one designated Alternate Director for each SCV-GSA Director.

*MGS*