



## BOARD MEMORANDUM

**DATE:** June 14, 2018

**TO:** Board of Directors

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

**SUBJECT:** Approve a Resolution Determining that 489 Acre-Feet Per Year of Buena Vista-Rosedale Rio Bravo Water Supply is Available for Possible Use for the Proposed Tapia Annexation

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### SUMMARY

On November 13, 2017, the Castaic Lake Water Agency (CLWA) executed the Deposit and Funding Agreement for the Tapia Ranch (Vesting Tentative Tract Map 72126 (Annexation Property)). The annexing party is Debt Acquisition Company of America (DACA). As provided in the Deposit and Funding Agreement, DACA has requested that the SCV Water Board of Directors, as successor to CLWA, consider and make a determination that Buena Vista/Rosedale Rio Bravo (BVRRB) water is available for the proposed annexation property. Staff has completed a water demand analysis for the proposed annexation property, reviewed the Agency's 2015 Urban Water Management Plan (UWMP) and the 2017 Water Supply Reliability Report Update and concluded that given current planning assumptions, sufficient supplies are adequate to make such a determination. Under the terms of the Deposit and Funding Agreement, DACA will be required to pay for past acquisition and carrying cost for the BVRRB water totaling \$3,775,117, as well as pay ongoing carrying costs.

### BACKGROUND AND DISCUSSION

In October 2006, CLWA certified the Final EIR Water Acquisition from the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District Water Banking and Recovery Program. The EIR estimated that 4,375 acre-feet per year (AFY) of the 11,000 AFY BVRRB water would be available to annexations with an estimated 750 AFY going to the Tapia project. In 2007, potential annexing parties were informed that because of more restrictive Sacramento-San Joaquin Delta regulatory measures, the Agency would not make BVRRB water available at that time. Subsequent analysis, including the 2010 Urban Water Management Plan (UWMP), incorporated higher water conservation requirements.

Revised population and development information consistent with the One-Valley-One-Vision general plan were incorporated into the 2015 UWMP allowing for a reexamination of the availability of BVRRB water to meet annexation requirements. Consistent with the Agency's Annexation Policy, staff has undertaken an analysis to determine the demand for the currently proposed Annexation Property. That determination is made considering the landowner's plan to develop the property. Staff's determination of the demand is 489 AFY. This demand assumes that those areas outside of the designated residential development, as shown on Figure 1, are permanently dedicated open space not available for further development and will not result in additional water demand. Additionally, the 489 AFY is less than the 575 AFY that was included in the 2015 UWMP. Further, the demands for the proposed Tesoro annexation have recently

been updated. The following table compares the demand values included in the 2015 UWMP to those currently estimated:

<b>Annexing Development Potentially Using BVERRB Supplies</b>	<b>2015 UWMP Estimate (AFY)</b>	<b>Current Estimate (AFY)</b>
Legacy	2,500	2,500
Tesoro	500	389
Tapia	575	489
<b>Total</b>	<b>3,575</b>	<b>3,378</b>

As discussed above, the 2015 UWMP demand estimates incorporated demands for the proposed Legacy, Tesoro and Tapia annexations. The conclusion reached in the 2015 UWMP was that assuming the water supply portfolio in the UWMP, the water supplies exceeded demands (including potential demands for annexing areas) at buildout. These results are summarized in the table below:

<b>Supply Source</b>	<b>Average/ Normal</b>	<b>Single Dry-Year</b>	<b>4-Year Drought</b>	<b>3-Year Drought</b>
Existing Groundwater	31,545	40,215	36,175	35,875
Existing Recycled	450	450	450	450
Existing Imported	70,707	22,087	45,177	33,167
Bank/Exchanges		7,950	7,950	7,950
Future Groundwater	10,230	20,335	21,875	21,325
Future Recycled	9,604	9,604	9,604	9,604
Future Bank/Exchanges		22,000	22,000	22,000
<b>Total Supply</b>	<b>122,536</b>	<b>122,641</b>	<b>143,231</b>	<b>130,371</b>
<b>Demand w/Active Conservation</b>	<b>93,900</b>	<b>103,300</b>	<b>103,300</b>	<b>103,300</b>
<b>Surplus</b>	<b>28,636</b>	<b>19,342</b>	<b>39,931</b>	<b>27,071</b>

As supplies substantially exceed demands for the scenarios in the 2015 UWMP, staff concludes that sufficient BVERRB supplies will exist for the proposed Tapia Ranch Project.

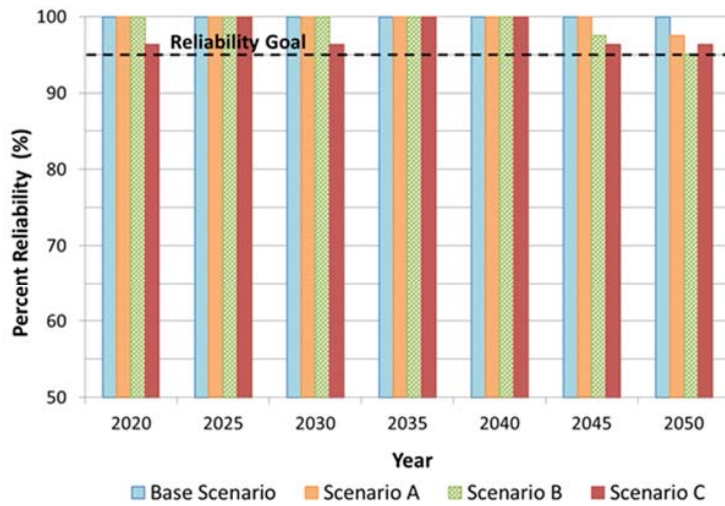
Additionally, in November 2017, staff updated its Water Supply Reliability Plan. This report is available using the following link: [http://yourscvwater.com/wp-content/uploads/2018/06/2017-Water-Supply-Reliability-Plan-Update\\_FINAL\\_110117.pdf](http://yourscvwater.com/wp-content/uploads/2018/06/2017-Water-Supply-Reliability-Plan-Update_FINAL_110117.pdf). That report analyzes the existing water supply portfolio along with three alternative scenarios for the study period of 2017 through buildout in 2050 as described below:

- **Base Scenario:** Based on 2015 UWMP demand, supply, and storage program assumptions. This includes planned increases in recycled water, conversion of alluvium groundwater use from agricultural to municipal use, and dry-year increases in Saugus groundwater pumping.
- **Scenario A:** Similar to the Base Scenario, but includes SWP supplies anticipated to be available with proposed California WaterFix facilities.
- **Scenario B:** Moderate supply reductions relative to the Base Scenario with a reduction in SWP supply reliability and reducing Saugus extraction to 20,000 AFY during years where SWP supplies are significantly less than average, not exercising

rights to expand the existing Rosedale Banking Program beyond the existing 10,000 AFY and not acquiring the Newhall Land Semitropic Banking Program as provided in the Semitropic/Newhall Banking Agreement. Further, reducing recycled water use to that used in the Newhall Ranch project and the Agency’s Phase 2B-D projects.

- **Scenario C:** Larger supply reductions relative to the Base Scenario with larger reductions in SWP supply reliability and additional limits on alluvium groundwater supplies, not allowing Saugus extractions beyond the average annual quantities and further reducing recycled water use to existing use and that supply generated by and for the Newhall Ranch project.

The analysis shows that the Base Scenario (UWMP supplies) is fully reliable through buildout and that Scenario A and B meets a goal of reaching a 95% reliability objective. Scenario C would not meet that objective, however supply shortfalls occur in dry-years and could be mitigated if the Board chose to exercise its contractual rights to expand the extraction capacity for the Rosedale Banking program by 10,000 AFY and participated in a banking program with 10,000 acre-feet of extraction capacity, such as the Newhall Land Semitropic Banking Program, as indicated in the 2015 UWMP in combination with other banking programs, such as an Aquifer Storage and Recovery (ASR) program using the Saugus Formation. As shown below, with those modifications, all of the scenarios meet a water supply reliability objective of 95% reliability in 2050 (buildout).



Note: Additional supplies, included in Scenario C only, include: Rosedale-Rio Bravo Bank take capacity of 20,000 AFY in 2035, and Saugus Formation ASR of 30,000 AF in 2046.

On June 13, 2018, the Water Resources and Watershed Committee considered staff’s recommendation to approve a resolution authorizing the General Manager to execute an assignment of Buena Vista-Rosedale Rio Bravo Water Supply to the proposed Tapia Annexation.

## **FINANCIAL CONSIDERATIONS**

Under the Deposit and Funding Agreement DACA would be required to pay for past acquisition and carrying costs, net any water sales from the BVRRB water supply. This totals \$3,775,117. Additionally, DACA would be required to pay ongoing carrying costs. Revenue for these payments would be credited to the Facility Capacity Fee Fund that has been carrying the BVRRB carrying costs for anticipated annexations.

### California Environmental Quality Act (CEQA) Finding

The Final EIR for BVRRB was certified by the Agency in 2006. The CEQA determination is that the proposed action has been previously addressed in the certified 2006 Final EIR and findings and that no further environmental analysis or documentation is required at this time. However, the Agency is only being asked at this time to confirm that sufficient water supply is available for potential provision to the Proposed Annexation Lands. No approval of the Tapia Project is being requested and, as contemplated in the Deposit and Funding Agreement, any future commitment to provide water to the Proposed Annexation Lands could only be made following the completion of certain conditions, including CEQA review, the issuance of land use entitlements by the County, the approval of the annexation by the Los Angeles County LAFCO, and final review of the Proposed Annexation Lands and development proposal by this Board.

The Water Resources and Watershed Committee reviewed staff's recommendation to reserve a portion of the BVRRB water supply for the proposed Tapia Ranch annexation. Further, it directed staff to explore reducing the proposed 1,167 acre annexation area so as not to include parcels that will not receive a water supply. The attached map shows a revised proposed annexation area of approximately 650 acres that would accomplish this.

## **RECOMMENDATIONS**

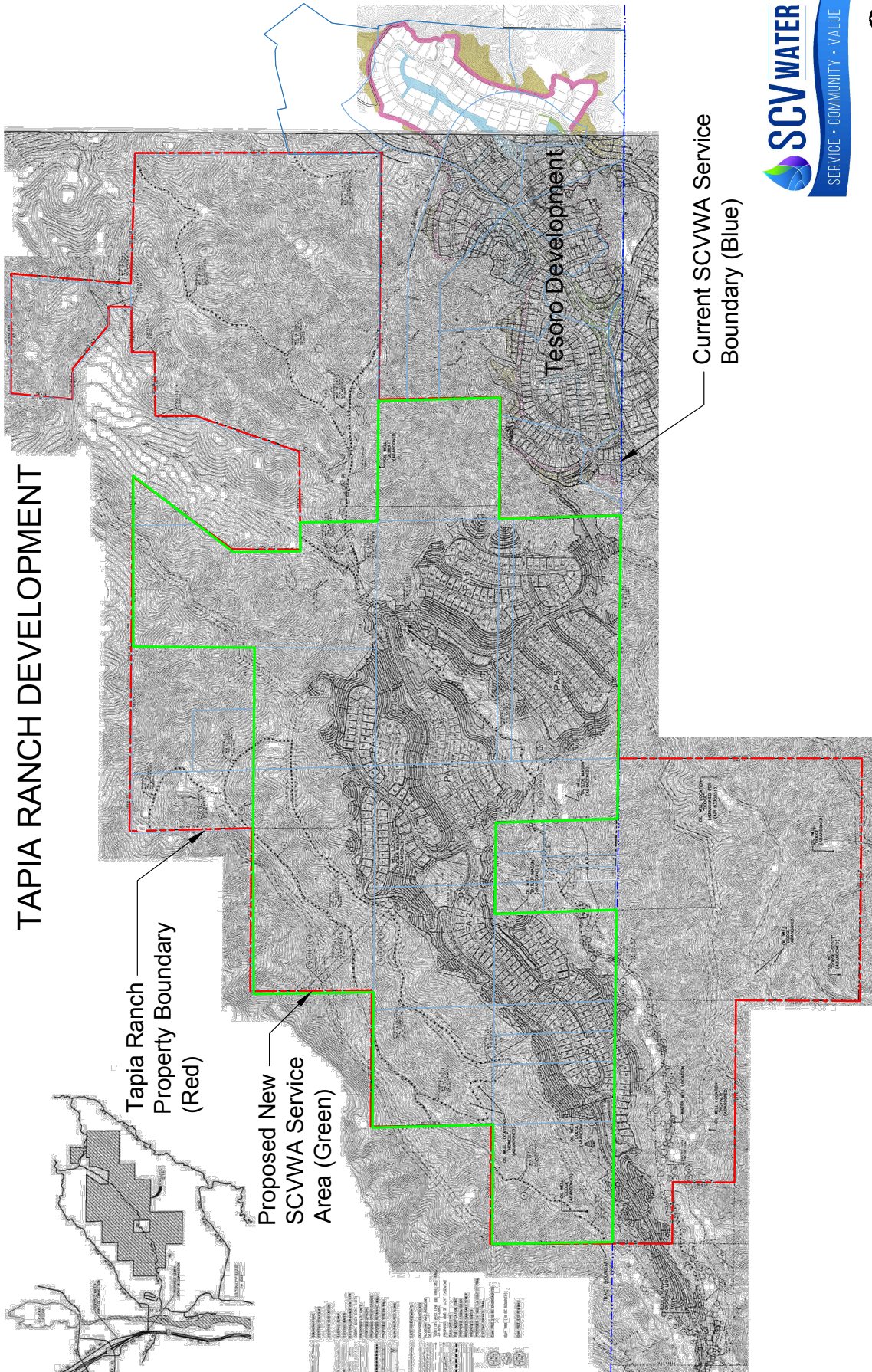
That the Water Resources and Watershed Committee recommends that the Board of Directors approve a resolution determining that 489 acre-feet per year of Buena Vista-Rosedale Rio Bravo Water Supply is available for possible use for the proposed Tapia Annexation.

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Attachments

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# TAPIA RANCH DEVELOPMENT



**FIGURE 1**  
Revised 6.30.18

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**RESOLUTION NO.**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SANTA CLARITA VALLEY WATER AGENCY  
DETERMINING THAT 489 ACRE-FEET PER YEAR  
OF BUENA VISTA-ROSEDALE RIO BRAVO WATER SUPPLY  
IS AVAILABLE FOR POSSIBLE USE FOR THE PROPOSED TAPIA RANCH ANNEXATION**

**WHEREAS**, Santa Clarita Valley Water Agency (SCV Water) is a special district water agency created to acquire, hold, and utilize water and water rights, including, but not limited to, water available from the state under the State Water Resources Development System, and to provide, sell, manage, and deliver surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale within the territory of the SCV Water; and

**WHEREAS**, Debt Acquisition Company of America (Applicant), owns 1,167 acres adjacent to the boundary of SCV Water in the County of Los Angeles of which approximately 650 acres is proposed for annexation to SCV Water (Annexation Lands); and

**WHEREAS**, on November 14, 2017, Castaic Lake Water Agency (CLWA) and Applicant executed a Deposit and Funding Agreement (Agreement) under which Applicant has agreed to certain obligations, conditions and responsibilities consistent with CLWA's Annexation Policy and its underlying principles which is necessary for the orderly development and service of water to the Annexation Lands; and

**WHEREAS**, SCV Water is the successor to CLWA; and

**WHEREAS**, the Agreement has a term of five years from the date of execution, unless extended by mutual consent; and

**WHEREAS**, SCV Water has determined that the proposed action has been previously addressed in the certified 2006 Final EIR and findings for the Buena Vista Water Storage District and the Rosedale-Rio Bravo Water Storage District Water Banking and Recovery Program and no further environmental analysis or documentation is needed at this time to comply with the California Environmental Quality Act; and

**WHEREAS**, SCV Water staff has undertaken an analysis to determine the water demand and has taken into consideration the Applicant's plan to develop the Annexation Lands; and

**WHEREAS**, the Board of Directors of SCV Water has reviewed available water supplies as set forth in the 2015 Urban Water Management Plan for the Santa Clarita Valley and has determined water supplies exceed demands; and

**WHEREAS**, SCV Water cannot and does not commit itself or agree that it can or will provide water service to the Annexation Lands since environmental compliance and other review and approvals for such a project has not been completed; and

**WHEREAS**, the Applicant anticipates environmental compliance and other approvals will be completed prior to November 14, 2022.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Santa Clarita Valley Water Agency hereby determines that , 489 acre feet per year of its Buena Vista-Rosedale Rio Bravo Water Supply is available for potential provision to the proposed Tapia Ranch Annexation Lands but that, as contemplated in the Deposit and Funding Agreement, any future commitment to provide water to the Proposed Annexation Lands could only be made following the completion of certain conditions, including CEQA review, the issuance of land use entitlements by the County, the approval of the annexation by the Los Angeles County LAFCO, and final review of the Proposed Annexation Lands and development proposal by this Board.





## BOARD MEMORANDUM

**DATE:** July 17, 2018  
**TO:** Board of Directors  
**FROM:** Director Robert DiPrimio, Chair  
Ad Hoc Compensation and Reimbursement Committee  
**SUBJECT:** Consider Approval of Amendment to Board Policies and Procedures

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### SUMMARY/DISCUSSION

As part of the transition process with the formation of the new Santa Clarita Valley Water Agency, the Board is reviewing its Director Compensation and Expense Reimbursement policy. President Cooper appointed a five-member Ad Hoc Committee to meet and review the policy and develop recommendations. After meeting on three occasions to review and develop the initial proposal, the Ad Hoc Committee presented its recommendation of the proposed policy to the Board at the June 5, 2018 Board meeting. Upon further discussion, the Board referred the matter back to the Ad-Hoc Committee for further review.

At its last meeting, the Ad Hoc Committee thoroughly discussed the issues raised by Board members and the attached revised recommendation of the policy (Attachment 1) addresses a number of the comments and suggestions that were made. Also attached is the Summary of Rules (Attachment 2) for your consideration.

The revised policy would take effect as of July 1, 2018, the beginning of the fiscal year. In developing this proposal, the Committee attempted to find an appropriate balance between the value of providing opportunities for the Board members to educate themselves about important policies and water industry issues, trends and opportunities for improved operations, and the cost of attending such conferences and events. The Committee considered the value of Board member engagement and participation in community events as well. The revised policy reflects an effort to provide all Directors with an opportunity to educate and inform themselves and to engage with the community to the benefit of the Agency.

The revised policy:

- Limits the number of Category 1 events eligible for Per Diem payments to a total of 3 multi-day events per fiscal year.
- Recommends a total of 2 Categories eligible for Per Diem payments by combining the list of preapproved events and meeting included in Category 2 and 3.
- Limits the number of Category 2 events eligible for Per Diem payments to twelve single-day meetings per fiscal year.

Attendance at events not listed as preapproved or above the annual cap provided by the policy would require specific Board authorization. The policy does contain a more extensive list of preapproved meetings which is intended to give Directors greater discretion in deciding what events to attend. The policy also ensures that Directors may continue to represent the Agency

at the request of the Board and Board President.

**RECOMMENDATION**

The Ad Hoc Compensation and Reimbursement Committee recommends that the Board of Directors discuss and consider adopting the attached revised policy pertaining to Directors Compensation and Reimbursement.

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Attachments

MGS