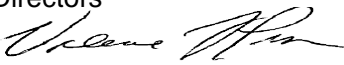




# Castaic Lake Water Agency Memorandum

October 16, 2017

To: CLWA Board of Directors

From: Valerie L. Pryor   
Assistant General Manager

Subject: Approve a Resolution Approving the Dissolution of the Santa Clarita Water Company

## SUMMARY

When the Agency purchased the Santa Clarita Water Company (SCWC), the Agency acquired all of the assets and converted SCWC to a non-profit corporation which exists today. Staff recommends dissolving SCWC as it serves no purpose and requires staff time to maintain.

## DISCUSSION

The process to dissolve SCWC is as follows:

1. The CLWA Board of Directors as the sole member approves a resolution approving the dissolution of SCWC (Attachment A).
2. The SCWC Board of Directors signs and dates a Joint Unanimous Written Consent form (Attachment B).
3. The SCWC Board of Directors sign a Certificate of Dissolution and that form is forwarded to the State Attorney General (Attachment C) along with an explanatory communication from General Counsel (Attachment D).
4. The Agency will receive a confirmation letter from the State Attorney General which will be submitted to the California Secretary of State along with the signed Certificate of Dissolution.

SCWC has been inactive since August 31, 1998. Staff and legal counsel find that SCWC serves no purpose but does require administrative work. The Agency annually files with the State Franchise Tax Board that SCWC has had no financial activities and biannually files a Statement of Information with the California Secretary of State. This work will no longer be necessary after the dissolution of the SCWC.

On October 12, 2017, the Financial and Operations Committee considered approving a resolution approving the dissolution of the Santa Clarita Water Company.

## FINANCIAL CONSIDERATIONS

None at this time.

## RECOMMENDATION

The Financial and Operations Committee recommends that the Board of Directors approve a resolution approving the dissolution of the Santa Clarita Water Company.

VLP

Attachments



# ATTACHMENT A

## RESOLUTION NO.

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE CASTAIC LAKE WATER AGENCY APPROVING THE DISSOLUTION OF THE SANTA CLARITA WATER COMPANY

**WHEREAS**, the Castaic Lake Water Agency is the sole Member of the Santa Clarita Water Company, which is a nonprofit public benefit corporation; and

**WHEREAS**, the Santa Clarita Water Division of the Castaic Lake Water Agency owns and operates the water system that was previously owned by Santa Clarita Water Company;

**WHEREAS**, the Santa Clarita Water Company is not currently conducting any business and has not conducted any business for several years and has been kept in existence for the sole purpose of preserving contract rights which legal counsel has determined are no longer necessary, and

**WHEREAS**, the Board of Directors of the Castaic Lake Water Agency believes that there is no purpose for continuing to maintain the existence of the Santa Clarita Water Company; and

**WHEREAS**, the Board of Directors of the Castaic Lake Water Agency now desires to dissolve the Santa Clarita Water Company in accordance with Sections 6610 et seq. of the California Corporations Code.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Castaic Lake Water Agency does authorize the General Manager to take the necessary steps on behalf of the Castaic Lake Water Agency as the sole Member of the Santa Clarita Water Company to dissolve the company in accordance with the California Corporations Code.

## **ATTACHMENT B**

### **JOINT UNANIMOUS WRITTEN CONSENT TO CORPORATE ACTION BY THE MEMBER AND BOARD OF DIRECTORS OF**

#### **SANTA CLARITA WATER COMPANY A California Nonprofit Public Benefit Corporation**

The undersigned, being the sole Member and all of the members of the Board of Directors of the above-named Corporation, by this writing approve the following resolutions and consent to their adoption:

WHEREAS, the Articles of Incorporation of this Corporation were amended and Restated on September 17, 1999 converting the Corporation to a nonprofit public benefit corporation, for the purpose of providing retail water service to residential, commercial, industrial and other water users within its service area as such service area may exist from time to time while managing the groundwater basin lying under such service area, and all purposes incidental thereto; and

WHEREAS, Corporation's sole Member, Castaic Lake Water Agency, and the Board of Directors finds that the Corporation is not currently conducting any business and has not conducted any business for several years and has only been kept active to preserve certain insurance coverage; and

WHEREAS, both the Corporation's sole Member, Castaic Lake Water Agency, and the Board of Directors deem it to be in the best interests of this Corporation that it be dissolved at this time in accordance with Sections 6610 et seq. of the California Corporations Code; and

WHEREAS, the Amended and Restated Articles of Incorporation of the Corporation dated September 15, 1999 require that upon the winding up and dissolution of the Corporation, and after paying or adequately providing for the debts, obligations and liabilities of the Corporation, the remaining assets shall be distributed to Castaic Lake Water Agency, or any other state or local government entity; and

WHEREAS, the Corporation's debts and liabilities have been actually paid, and the Corporation has no assets to be distributed.

NOW, THEREFORE, BE IT RESOLVED, that the Corporation's sole Member and Board of Directors deem it to be in the best interests of this Corporation that this Corporation be wound up and dissolved in accordance with Sections 6610 et seq. of the Nonprofit Public Benefit Corporation Law.

RESOLVED FURTHER, that effective as of the date of these resolutions, a plan of liquidation is hereby approved to effect the dissolution of this Corporation in accordance with the following resolutions.

RESOLVED FURTHER, that the President is hereby authorized to direct Best Best & Krieger LLP to submit the necessary documents to the California Attorney General's Office for purposes of obtaining a waiver of objections to the dissolution of this Corporation and advising there are no assets to distribute.

RESOLVED FURTHER, that after receipt of a letter from the California Attorney General's Office confirming that the Corporation has no assets to distribute, the President of this Corporation is hereby authorized to direct its legal counsel, Best Best & Krieger LLP, to file a Certificate of Dissolution, authorized and executed in accordance with the provisions of Section 6615 of the California Corporations Code, with the office of the Secretary of State of California.

RESOLVED FURTHER, that the officers of this Corporation are hereby authorized and directed to do any and all acts necessary or advisable in connection with the winding up and dissolution of this Corporation in conformity with the provisions of Section 6610 et seq. of the California Corporations Code and these resolutions.

This consent is executed pursuant to Subdivision (a) of Section 5513 of the California Corporations Code which authorizes the taking of action by unanimous written consent without a formal meeting, and is to be filed with the minutes of Board proceedings.

DATED: \_\_\_\_\_, 2017

**SOLE MEMBER:**

CASTAIC LAKE WATER AGENCY

By: \_\_\_\_\_  
Robert J. DiPrimio, President

**DIRECTORS:**

\_\_\_\_\_  
ED COLLEY

\_\_\_\_\_  
BILL COOPER

\_\_\_\_\_  
R.J. KELLY

\_\_\_\_\_  
DEAN EFSTATHIOU



**Secretary of State**  
**Nonprofit Certificate of Dissolution**  
 (California Nonprofit Corporation ONLY)

DISS NP

**ATTACHMENT C**

**IMPORTANT — Read Instructions before completing this form.**

There is **No Fee** for filing a Nonprofit Certificate of Dissolution

**Copy Fees** – First page \$1.00; each attachment page \$0.50;  
 Certification Fee - \$5.00 plus copy fees

**Attorney General Letter:** All nonprofit **public benefit** and **religious** nonprofit corporations are required to get a letter from the California Attorney General's office waiving objections to the nonprofit corporation's distribution of assets, or confirming the nonprofit corporation has no assets. If your corporation is a public benefit or religious corporation, you **must** attach that letter to this Nonprofit Certificate of Dissolution (see instructions).

This Space For Office Use Only

**1. Corporate Name** (Enter the exact name of the nonprofit corporation as it is recorded with the California Secretary of State.)

SANTA CLARITA WATER COMPANY

**2. 7-Digit Secretary of State File Number**

0322157

**3. Election**

The dissolution was made by a vote of **ALL** of the members, or if there are no members, by a vote of **ALL** of the directors of the California nonprofit corporation.

**Note:** If the above box is **not** checked, a **Nonprofit Certificate of Election to Wind Up and Dissolve** (Form ELEC NP) must be filed prior to or together with this Nonprofit Certificate of Dissolution. (California Corporations Code sections 6611, 8611, 9680 and 12631.)

**4. Debts and Liabilities**

(Check the applicable statement. Only **one box** may be checked. If second box is checked, you must include the required information in an attachment.)

- The known debts and liabilities have been actually paid or paid as far as its assets permitted.
- The known debts and liabilities have been adequately provided for in full or as far as its assets permitted by their assumption. Included in the **attachment** to this certificate, incorporated herein by this reference, is a description of the provisions made and the name and address of the person, corporation or government agency that has assumed or guaranteed the payment, or the depository institution with which deposit has been made.
- The nonprofit corporation never incurred any known debts or liabilities.

**5. Required Statements** (Do not alter the Required Statements – **ALL** must be true to file Form DISS NP.)

- a. The nonprofit corporation has been completely wound up and is dissolved.
- b. All final returns required under the California Revenue and Taxation Code have been or will be filed with the California Franchise Tax Board.
- c. For Mutual Benefit or General Cooperative Corporations ONLY: The known assets have been distributed to the persons entitled thereto or the nonprofit corporation acquired no known assets.

**6. Read, Verify, Date and Sign Below** (See Instructions for signature requirements. Do not use a computer generated signature.)

The undersigned is the sole director or a majority of the directors now in office. I declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of my own knowledge.

_____	_____	Ed Colley
Date	Signature	Type or Print Name
_____	_____	Bill Cooper
Date	Signature	Type or Print Name
_____	_____	R.J. Kelly
Date	Signature	Type or Print Name



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**Glen W. Price**  
(951) 826-8314  
glen.price@bbklaw.com

File No. 55396.01

September 7, 2017

**VIA EXPRESS MAIL**

California Attorney General's Office  
Registry of Charitable Trusts  
P.O. Box 903447  
Sacramento, CA 94203-4470

**Re: Dissolution of Santa Clarita Water Company**  
**EIN: 95-6036165**  
**Registration Number: CT0203759**

Our firm represents the above-referenced nonprofit Corporation. The Corporation has no assets to distribute, and we therefore respectfully request a dissolution waiver letter from the Attorney General confirming that the Corporation has no assets. We submit the following:

1. Copy of the Articles of Incorporation filed June 11, 1956 and all amendments;
2. The Corporation has one Member, Castaic Lake Water Agency. The Member and Board of Directors determined by unanimous vote that it was in the best interests to dissolve effective October 31, 2017. Enclosed is a copy of the Certificate of Dissolution signed by all of the members of the Board of Directors;
3. The Corporation is a special district of government that is required to file with the State Controller's Division of Local Government Fiscal Affairs on Form LGFA 80. (Annual Report of Financial Transactions of Special Districts). The Corporation does not have an annual reporting requirement with the Attorney General's Registry of Charitable Trusts. A copy of the letter dated February 10, 2014 from the California Department of Justice confirming that the Corporation is not required to file annual reports with the Attorney General's Registry of Charitable Trusts is attached; and
4. The Corporation has been inactive since August 31, 1998. Copies of the Financial Statements for the last three accounting periods—December 31, 1996, December 31, 1997, and through August 31, 1998 are enclosed. Also enclosed is the 2006 Form 1120 showing no activity.

**BB&K**  
**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

September 7, 2017  
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Upon the issuance by your office of the waiver letter confirming the Corporation has no assets, the Corporation will file the Certificate of Dissolution. An endorsed copy of the Certificate will be provided to your office to confirm that dissolution is completed.

Please let me know if you require further information.

Sincerely,

Glen W. Price  
Partner  
of BEST BEST & KRIEGER LLP

GWP:rw  
Enclosures