

MINUTES OF THE ADJOURNED REGULAR MEETING
 OF THE BOARD OF DIRECTORS OF
 SANTA CLARITA VALLEY SANITATION DISTRICT
 HELD AT THE SANTA CLARITA CITY COUNCIL CHAMBERS

March 23, 2016
 6:00 o'clock, P.M.

The Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County met pursuant to adjournment as ordered by this Board of Directors at the special meeting held February 25, 2016. The Secretary reported that a copy of the Order of Adjournment was posted as required by law and that proper affidavits of the posting are on file in the Secretary's office.

There were present: Robert Kellar, Director from Santa Clarita
 Laurene Weste, Director from Santa Clarita
 Michael D. Antonovich, Chairperson, Alternate Director from Los Angeles County

Absent: None

Also present: Kimberly S. Compton, Secretary to the Board

The Chairperson announced this was the time for any questions or comments by members of the public for items not listed on the agenda. The following individual addressed the Board:

Thomas Graney - 22577 Paraguay Drive, Santa Clarita

Allan Cameron - 19425 Soledad Canyon Road, Suite B412, Santa Clarita

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

Upon motion of Director Kellar, duly seconded and unanimously carried, the minutes of the special meeting held February 25, 2016, were approved.

RE: DISTRICT ESTIMATED EXPENSES The following estimated expenses for the month of February 2016 were presented and upon motion of Director Kellar, duly seconded and unanimously carried, were approved:

| | |
|---|-----------------------|
| Local District Expenses: | |
| Operations & Maintenance (O & M) | \$1,520,311.22 |
| Capital | 499,652.34 |
| Santa Clarita Valley Sanitation District's Share of Allocated Expenses for O & M and Capital: | |
| Joint Administration | 186,752.93 |
| Technical Support | <u>427,522.43</u> |
| Total Expenses | <u>\$2,634,238.92</u> |

RE: WASTEWATER MANAGEMENT District Counsel advised that it would be in the interest of SANTA CLARITA VALLEY SANITATION the District to meet in closed session pursuant to Section DISTRICT - AFFORDABLE CLEAN WATER 54956.9(d)(1) of the California Government Code ALLIANCE - CONFERENCE WITH LEGAL *Conference with Legal Counsel-Existing Litigation* to COUNSEL-EXISTING LITIGATION - DISCUSS confer on the matter of Affordable Clean Water Alliance (ACWA) v. Santa Clarita Valley Sanitation District, Los Angeles County Superior Court Case No. BS 145869 - one case.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individual addressed the Board:

Susan Durbin - 215 North Marengo Avenue, 3rd Floor, Pasadena

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

Upon motion of Director Kellar, duly seconded and unanimously carried, the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County met in closed session at 6:43 p.m. pursuant to Section 54956.9(d)(1) of the California Government Code *Conference with Legal Counsel-Existing Litigation* to confer on the matter referred by District Counsel.

Upon motion of the Chairperson, the meeting reconvened in regular session at 6:54 p.m.

District Counsel stated that there has been much confusion created by erroneous statements regarding the Superior Court's February 23, 2016 decision on the ACWA lawsuit relating to the Sanitation District's chloride compliance project. District Counsel's opinion is that the agenda items before the Board this evening with regard to that project, are in compliance with the court's rulings and with the California Environmental Quality Act (CEQA). The court's decision found only two facets of the 2013 Environmental Impact Report (EIR) to be at variance with CEQA.

The court required additional study of stickleback fish populations that could result if the District were to significantly reduce its discharge of treated wastewater to the Santa Clara River in support of water reuse. This water reuse component of the 2013 EIR is independent of the District's chloride compliance project. To avoid delays in meeting the State's compliance deadline, the water reuse component is not being recommended as part of the project approval before the Board this evening. In addition, the court invalidated the 2013 EIR because the District is now recommending a different method of brine management. The actions before the Board this evening are designed to answer both of the items identified by the court and to address them consistent with the court's rulings.

Therefore, contrary to incorrect statements, the actions before the Board this evening are not contrary to the law. Should the Board approve these actions, these resolutions will be presented to the court to demonstrate the District's compliance with the court's rulings and applicable CEQA law. District Counsel advised that no action was taken of a nature that requires disclosure pursuant to Government Code Section 54957.1.

RE: ADOPT - RESOLUTION (1) DECERTIFYING SANTA CLARITA VALLEY SANITATION DISTRICT CHLORIDE COMPLIANCE FACILITIES PLAN AND FINAL ENVIRONMENTAL IMPACT REPORT (2013 EIR); (2) RECERTIFYING THE 2013 EIR AS AUGMENTED BY THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT (FINAL SEIR) FOR BRINE CONCENTRATION AND LIMITED TRUCKING AND CERTIFYING THE FINAL SEIR; AND (3) MAKING FINDINGS OF FACT AND ADOPTING MITIGATION MONITORING AND REPORTING PROGRAM; AND RESOLUTION APPROVING MODIFIED CHLORIDE COMPLIANCE PROJECT

The Chief Engineer and General Manager presented the proposed *Resolution of the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County: (1) Decertifying Santa Clarita Valley Sanitation District Chloride Compliance Facilities Plan and Final Environmental Impact Report (2013 EIR); (2) Recertifying the 2013 EIR as augmented by the Final Supplemental Environmental Impact Report (Final SEIR) for Brine Concentration and Limited Trucking and Certifying the Final SEIR; and (3) Making Findings of Fact and Adopting Mitigation Monitoring and Reporting Program; and Resolution of the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County Approving Modified Chloride Compliance Project.* She advised that this item is regarding compliance with the California Environmental Quality Act (CEQA) for the state-mandated chloride compliance project. In October 2013, the Board certified an EIR for the project (2013 EIR) and approved a project with the

following components: ultraviolet disinfection, advanced treatment for chloride removal, and brine management through deep well injection. The 2013 EIR also evaluated municipal reuse of recycled water from the Districts' treatment plants. In 2015, the Board directed staff to investigate other brine management alternatives and perform new environmental analysis. In the fall of 2015, the District released, for public and agency comment, a focused Supplemental EIR (SEIR) that evaluated the potential environmental impacts of a new approach to brine management involving brine concentration equipment and limited trucking of concentrated brine to an existing Districts' industrial facility in the City of Carson for disposal. The Final SEIR, which includes responses to all comments received, was released on March 11, 2016 and will be considered for certification.

The 2013 EIR was challenged in Los Angeles County Superior Court which entered a ruling in February 2016 and a judgment in March 2016. The court ruling granted the petition in two areas: 1) stating a need to conduct further studies on the potential impacts to the unarmored threespine stickleback fish; and 2) setting aside the 2013 EIR and associated project approval because of the additional studies needed for the stickleback and because of the newly proposed approach to brine management, which was not evaluated in the 2013 EIR. The first issue was related to reduced discharge of treated wastewater to the river. Given the newly proposed method of brine management, staff and District Counsel contend that the stickleback concern is only related to the recycled water part of the 2013 EIR, which is independent from other parts of the project needed to comply with the chloride limit, with which the Court found no deficiencies. With regard to the second issue, the recently completed Final SEIR addresses the newly proposed brine management approach. In order to comply with the strict schedule of the state-mandated chloride project, the proposed project excludes the recycled water component, which would be separately studied further to address the Court's ruling. The judgment directed the Districts to decertify the 2013 EIR, and not proceed with the project until further compliance with CEQA.

Therefore, the actions for consideration are to decertify the 2013 EIR and set aside the associated project approval, recertify the 2013 EIR as augmented with the SEIR, certify the SEIR, and approve a chloride compliance project that includes ultraviolet disinfection, advanced treatment to remove chloride, brine minimization and limited trucking of the concentrated brine to an existing industrial facility in the City of Carson. A letter discussing this matter was previously transmitted to the directors and was attached to the agenda along with proposed Resolutions, Findings of Fact and Mitigation Monitoring and Reporting Program.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individuals addressed the Board:

Alan Ferdman - 27248 Walnut Springs Avenue, Canyon Country

Flo Lawrence - 31657 Ridge Route Road C204, Castaic

Steve Petzold - 18081 Caraway Lane, Santa Clarita

Susan Durbin - 215 North Marengo Avenue, 3rd Floor, Pasadena

Cam Noltemeyer - 25936 Sardinia Court, Santa Clarita

Ed Masterson - 22440 Cardiff Drive, Santa Clarita

Allan Cameron - 19425 Soledad Canyon Road, Suite B412, Santa Clarita

Lynne Plambeck - P.O. Box 1182, Canyon Country

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

In response to public comments regarding the recycled water component of the EIR, Director Weste stated that the board is fully committed to recycled water, and, in fact, at her request adopted a resolution in 2014 to promote local sustainability of water resources by the use of recycled water and to work with all the stakeholders, including the Castaic Lake Water Agency, and the goal was to make sure that a recycled water program was implemented. She asked for assurance from staff regarding complying with the court's ruling related to the recycled water.

The Chief Engineer and General Manager replied that staff will continue with the studies to comply with the court ruling and then bring back approvals of the recycled water component to the Board.

Director Weste instructed staff to comply with requisite permits for the retaining wall construction and to be very sensitive to potential impacts to the habitat.

Upon motion of Director Kellar, duly seconded and unanimously carried, the following Resolutions were adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF SANTA CLARITA VALLEY
SANITATION DISTRICT OF LOS ANGELES COUNTY: (1) DECERTIFYING
SANTA CLARITA VALLEY SANITATION DISTRICT CHLORIDE COMPLIANCE

FACILITIES PLAN AND FINAL ENVIRONMENTAL IMPACT REPORT (“2013 EIR”);
(2) RECERTIFYING THE 2013 EIR AS AUGMENTED BY THE FINAL SUPPLEMENTAL
ENVIRONMENTAL IMPACT REPORT (FINAL SEIR) FOR BRINE CONCENTRATION
AND LIMITED TRUCKING AND CERTIFICATION OF THE FINAL SEIR; AND (3) MAKING
FINDINGS OF FACT, AND ADOPTING MITIGATION MONITORING AND REPORTING PROGRAM

The Board of Directors (the “Board”) of the Santa Clarita Valley Sanitation District of Los Angeles County (the “District”) is presently considering the approval of a Modified Chloride Compliance Project;

On October 28, 2013, the Board approved a project to comply with the Upper Santa Clara River Chloride Total Maximum Daily Load (Chloride TMDL) and certified that the associated Facilities Plan and EIR (2013 EIR) was completed in accordance with the California Environmental Quality Act.

On March 9, 2016, in the Superior Court proceeding *Affordable Clean Water Alliance v. Santa Clarita Valley Sanitation District of Los Angeles County*, Case No. BS 145869, the Superior Court entered a judgment directing the District to decertify the 2013 EIR.

Staff recommends replacing the brine management component of the chloride compliance project approved in 2013. Specifically, staff recommends a Modified Chloride Compliance Project consisting of the following components: ultraviolet light disinfection at the Valencia Water Reclamation Plant (WRP) and Saugus WRP, advanced treatment by microfiltration/reverse osmosis at the Valencia WRP, brine concentration at the Valencia WRP, and limited trucking of concentrated brine to the Joint Water Pollution Control Plant in Carson.

The potential environmental impacts from the first two project components are addressed as a portion of Alternative 2 in the 2013 EIR and the potential environmental impacts from the remaining two components are addressed in the Final SEIR. The Final SEIR also identifies the potential environmental impacts from a project component called potential renewable energy facilities.

The project component in the 2013 EIR called “Support for Municipal Reuse of Recycled Water” is independent and severable from other project components which are needed to comply with the chloride limit. This component is no longer part of the currently recommended project and requires further environmental review under a separate CEQA document before any potential approval and implementation.

The District has caused to be prepared the Draft Santa Clarita Valley Sanitation District Supplemental Environmental Impact Report for Brine Concentration and Limited Trucking (the “Draft SEIR”) that assesses the significant environmental impacts and mitigation measures associated with the implementation of the modified components of the chloride compliance project.

The District consulted with other public agencies and the general public, and provided such agencies and the public with the opportunity to provide written and oral comments on the Draft SEIR, as required by the California Environmental Quality Act (“CEQA”), Public Resources Code §§21000 *et seq.*;

The District has reviewed the comments received and responded to the significant environmental concerns raised during the review and consultation process;

The comments received on the Draft SEIR together with the District’s responses, have been included in the Final SEIR; and

The 2013 EIR as augmented by the Final SEIR, consisting of the responses to comments and the revised Draft SEIR, have been presented to the Board for review and consideration prior to the approval of, and commitment to, the Modified Chloride Compliance Project.

NOW, THEREFORE, THE BOARD HEREBY RESOLVES, DETERMINES, AND FINDS:

1. The 2013 EIR is hereby decertified.
2. That the 2013 EIR as augmented by the Final SEIR (collectively, Augmented EIR) has been completed in accordance with the requirements of CEQA;
3. That the Board has independently reviewed and considered the information contained in the Augmented EIR;
4. That the Board makes and adopts the written findings set forth in the associated Findings of Fact and certifies that such written findings and conclusions are based on the Board’s independent

review of the information contained in the Augmented EIR and reflects the independent judgment of the Board;

5. That the Augmented EIR has identified no significant and unavoidable environmental impacts associated with the implementation of the Modified Chloride Compliance Project;
6. That the Board adopts the associated Mitigation Monitoring and Reporting Program and finds that the mitigation measures identified therein will reduce the potential impacts from implementation of the Modified Chloride Compliance Project to less than significant levels; and

IT IS FURTHER RESOLVED that the Board hereby certifies the Final SEIR, State Clearinghouse Number 2012011010, certifies the Augmented EIR, and authorizes and directs the Secretary of the Board to file the Notice of Determination and any other documents in accordance with the requirements of CEQA and the District's CEQA procedures.

RESOLUTION OF BOARD OF DIRECTORS OF SANTA CLARITA VALLEY
SANITATION DISTRICT OF LOS ANGELES COUNTY APPROVING
MODIFIED CHLORIDE COMPLIANCE PROJECT

The Board of Directors (the "Board") of the Santa Clarita Valley Sanitation District of Los Angeles County (the "District") has certified that the Final Environmental Impact Report (the "2013 EIR") for the Final Santa Clarita Valley Sanitation District Chloride Compliance Facilities Plan (the "Final Facilities Plan") as augmented by the Final Santa Clarita Valley Sanitation District Supplemental Environmental Impact Report for Brine Concentration and Limited Trucking (the "Final SEIR") were prepared in accordance with the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and the District's CEQA procedures; and

On March 9, 2016, in the Superior Court proceeding Affordable Clean Water Alliance v. Santa Clarita Valley Sanitation District of Los Angeles County, Case No. BS 145869, the Superior Court entered a judgment directing the District to set aside all Project approvals based upon the 2013 EIR.

The Final SEIR presents a Modified Chloride Compliance Project consisting of the following components: ultraviolet light disinfection at the Valencia Water Reclamation Plant (WRP) and Saugus WRP, advanced treatment by microfiltration/reverse osmosis at the Valencia WRP, brine concentration at the Valencia WRP, and limited trucking of concentrated brine to the Joint Water Pollution Control Plant in Carson.

The potential environmental impacts from the first two project components are addressed as Alternative 2 in the 2013 EIR and the potential environmental impacts from the remaining two components are addressed in the Final SEIR.

The project component in the 2013 called "Support for Municipal Reuse of Recycled Water" is independent and severable from other project components which are needed to comply with the chloride limit. This component is no longer part of the currently recommended project and requires further environmental review under a separate CEQA document before any potential approval and implementation.

The Board has made written findings for the implementation of the Modified Chloride Compliance Project.

NOW, THEREFORE, IT IS RESOLVED that the Board sets aside its approval of the Project originally described in the 2013 EIR.

IT IS FURTHER RESOLVED that the Board hereby approves the Modified Chloride Compliance Project, as described above and analyzed in the 2013 EIR as augmented by the Final SEIR, with the exception of the project component in the 2013 EIR called "Support for Municipal Reuse of Recycled Water," which is not approved. The Board further approves the associated Findings of Fact certified and adopted by the Board. The previously adopted Mitigation Monitoring and Reporting Program is adopted and is incorporated by reference. In approving the Modified Chloride Compliance Project, the Board also approves the construction and operation of the Modified Chloride Compliance Project.

IT IS FURTHER RESOLVED that the District's Chief Engineer and General Manager is directed to implement the Modified Chloride Compliance Project in the manner set forth in said 2013 EIR as augmented by the Final SEIR and the written findings. The District's Chief Engineer and General Manager is directed to enter into any and all agreements, and to execute any and all applications, instruments, or other documents necessary to obtain approval and permitting for carrying out the Modified Chloride Compliance Project, including any agreements for the implementation of all necessary mitigation measures.

RE: WASTEWATER MANAGEMENT
VALENCIA WATER RECLAMATION
PLANT RETAINING WALL EXTENSION
AWARD CONTRACT NO. 4956
TO HAYWARD BAKER INC.

The Chief Engineer and General Manager reported on the bids received at the District office on March 1, 2016, for construction of the Valencia Water Reclamation Plant Retaining Wall Extension. She stated that five bids have been received, which are as follows:

| <u>BIDDER</u> | <u>TOTAL BID</u> |
|-------------------------------------|------------------|
| Hayward Baker Inc. | \$6,685,250.00 |
| Advanced Geosolutions, Inc. | \$6,947,240.00* |
| Condon-Johnson & Associates, Inc. | \$9,399,200.00 |
| Shimmick Construction Company, Inc. | \$12,429,400.00 |
| Icon West, Inc. | \$12,903,460.00 |

*Submitted incomplete bid rendering its bid unresponsive.

She stated that the bid of Hayward Baker Inc., was the lowest bid received and that Hayward Baker Inc., was the lowest, regular, responsible bidder for the work, and recommended that a contract be awarded to Hayward Baker Inc., at the unit prices stated in its bid amounting to approximately \$6,685,250.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individuals addressed the Board:

Cam Noltemeyer - 25936 Sardinia Court, Santa Clarita

Allan Cameron - 19425 Soledad Canyon Road, Suite B412, Santa Clarita

Lynne Plambeck - P.O. Box 1182, Canyon Country

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

In response to Director Kellar, the Chief Engineer and General Manager recommended moving forward with the item. Directors Kellar and Weste requested that the project be carried out in compliance with approvals and with sensitivity to the environment. Director Kellar also stressed the importance of recycled water.

Upon motion of Director Kellar, duly seconded and unanimously carried, Contract No. 4956 for construction of the Valencia Water Reclamation Plant Retaining Wall Extension was awarded to the lowest, regular, responsible bidder, to wit: Hayward Baker Inc., at the unit prices stated in its bid amounting to approximately \$6,685,250. The work consists of constructing approximately 600 feet of retaining wall to bring undeveloped area at north end of Valencia WRP property to grade and increase area for future treatment facilities; retaining wall will be constructed deep enough to prevent bottom scour and high enough to prevent flooding by Santa Clara River during design storm; above-grade portions will be mechanically stabilized earth masonry blocks that are secured with 20-foot long geogrids buried behind the wall, located at Valencia Water Reclamation Plant, 28185 The Old Road, Valencia, Los Angeles County, California, in accordance with detailed plans and specifications approved by this Board on December 2, 2015, together with any subsequently issued addenda.

RE: WASTEWATER MANAGEMENT
VALENCIA WATER RECLAMATION
PLANT RETAINING WALL
EXTENSION - CONSTRUCTION
INSPECTION - AUTHORIZE
ISSUANCE OF PURCHASE ORDER TO
ADVANCED EARTH SCIENCES, INC.

The Chief Engineer and General Manager, in her capacity as Purchasing Agent, recommended issuance of a purchase order to Advanced Earth Sciences, Inc., (AES) in the amount of approximately \$401,000 to provide construction inspection for Valencia Water Reclamation Plant Retaining Wall Extension (Project). She advised that construction inspection services are required for the specialized construction methods and

earthworks proposed for the Project. Proposals were solicited and received from three consulting firms. AES was ranked as the most qualified to provide the services and submitted the lowest cost proposal.

Upon motion of Director Kellar, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to Advanced Earth Sciences, Inc., to provide construction inspection for Valencia Water Reclamation Plant Retaining Wall Extension, at a cost of approximately \$401,000.

RE: WASTEWATER MANAGEMENT
VALENCIA WATER RECLAMATION
PLANT RETAINING WALL EXTENSION
BIOLOGICAL SUPPORT SERVICES
AUTHORIZE ISSUANCE OF PURCHASE
ORDER TO ENVIRONMENTAL
SCIENCE ASSOCIATES

The Chief Engineer and General Manager, in her capacity as Purchasing Agent, recommended issuance of a purchase order to Environmental Science Associates (ESA) in the amount of approximately \$106,000 to provide biological support services for Valencia Water Reclamation Plant Retaining Wall Extension. She advised that biological support services are needed to secure a permit from the California Department of Fish

and Wildlife and to implement permit conditions during construction. ESA was previously selected through a competitive process to perform similar work for the District on another project and have performed well. ESA is recommended as the most cost-effective option due to their familiarity with the site and their willingness to provide the required services at their previous labor rates.

Upon motion of Director Kellar, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue a purchase order to Environmental Science Associates to provide biological support services for Valencia Water Reclamation Plant Retaining Wall Extension, at a cost of approximately \$106,000.

RE: WASTEWATER MANAGEMENT
SAUGUS WATER RECLAMATION
PLANT - CATIONIC EMULSION
POLYMER - AUTHORIZE
EXTENSION OF PURCHASE
ORDER TO POLYDYNE INC.

The Chief Engineer and General Manager, in her capacity as Purchasing Agent, recommended that the Board authorize a one-year extension of a purchase order with Polydyne Inc. (Polydyne), in the amount of approximately \$184,000 for cationic emulsion polymer. She advised that in March 2013, subsequent to competitive bids, the Board awarded a purchase order to

Polydyne to furnish and deliver cationic emulsion polymer used in secondary clarification at the Saugus Water Reclamation Plant (WRP) for a period of three years. The specifications allow for two one-year extensions upon mutual agreement. Polydyne has offered to extend the agreement for an additional year at a reduced unit price of \$2.00 per active pound. The proposed price matches Polydyne's current agreement price for the Valencia WRP. The proposed unit price remains lower than that of the second low bidder from 2013, and an extension at this time is in the best interest of the Districts.

Upon motion of Director Kellar, duly seconded and unanimously carried, the Purchasing Agent was authorized to extend the purchase order, for a one-year period, with Polydyne Inc., for cationic emulsion polymer, at a cost of approximately \$184,000.

RE: SPECIFIC PURPOSE INVESTMENTS
BY LOS ANGELES COUNTY TREASURER
AND TAX COLLECTOR ON BEHALF OF
DISTRICT - RESOLUTION APPROVING
MEMORANDUM OF UNDERSTANDING
ADOPT - MEMORANDUM OF
UNDERSTANDING - AGREEMENT
CONTRACT NO. 4954 - APPROVE

Prior to meeting in regular session, the Chief Engineer and General Manager discussed *A Resolution of the Board of Directors of County Sanitation District No. 1 of Los Angeles County, California, Authorizing the Execution of a Memorandum of Understanding (MOU) Directing the Specific Investment of Excess District Funds by the Los Angeles County Treasurer and Tax Collector* (Resolution). She stated that the proposed Resolution is on all agendas as recorded in

the Status Report.

In regular session, she advised that the Districts have utilized the Treasurer to invest non-operating funds through the County's Specific Purpose Investment (SPI) program and in accordance with each District's investment policy. The Treasurer has requested that each District adopt a Resolution that clarifies some of the old language regarding SPI investments and also a new MOU that better defines the roles and responsibilities of the parties. A copy of the proposed Resolution was attached to the agenda. She recommended that the Resolution be adopted and the proposed MOU be approved and ordered executed.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individual addressed the Board:

Cam Noltemeyer - 25936 Sardinia Court, Santa Clarita

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

Upon motion of Director Kellar, duly seconded and unanimously carried, the following Resolution was adopted:

A RESOLUTION OF THE BOARD OF DIRECTORS OF SANTA CLARITA VALLEY
SANITATION DISTRICT OF LOS ANGELES COUNTY, CALIFORNIA
AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING
DIRECTING THE SPECIFIC INVESTMENT OF EXCESS DISTRICT FUNDS BY THE
LOS ANGELES COUNTY TREASURER AND TAX COLLECTOR

WHEREAS, the Board of Directors ("Board") of Santa Clarita Valley Sanitation District of Los Angeles County ("District") has excess funds available for investment by the office of the Los Angeles County Treasurer and Tax Collector ("Treasurer"); and

WHEREAS, specific investment objectives of the District may require that all or a portion of these funds be invested in instruments other than the Los Angeles County Pooled Surplus Investment fund; and

WHEREAS, the Board is aware that the Treasurer, upon request and with approval of the Board, will make specific investments at the request of and on behalf of the District pursuant to a Memorandum of Understanding ("MOU"); and

WHEREAS, the Board has determined that it is desirable for the Treasurer, on behalf of the District, to make certain specific investments at the District's request. In making this determination, the Board is aware that the investment of excess funds in specific investments represent a commitment of such funds for a designated period of time; and

WHEREAS, the Board acknowledges and fully understands that a request by the District directing the Treasurer to liquidate a specific investment prior to the investment's maturity date may result in a loss of principal and/or anticipated income as a result of such liquidation; and

WHEREAS, the Board hereby agrees to the payment of fees to the Treasurer for services related to the investment of excess funds, as detailed in the Memorandum of Understanding, Attachment A, "Los Angeles County Treasurer Specific Purpose Investment Fee Schedule," which may be amended from time to time.

WHEREAS, the following District positions and their designees, if applicable, are designated and authorized to commit District funds to be specifically invested by the Treasurer, until this designation is revoked or amended by the Board and delivered to the Treasurer in writing:

Authorized Position(s)

Chief Engineer & General Manager

Assistant Chief Engineer & Assistant General Manger

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:

SECTION 1. The names, titles, and specimen signatures of the persons currently holding the positions designated herein and contained in the Memorandum of Understanding, Attachment B, "Authorized List of Designees," are authorized to make specific investments of the District's excess funds with the Treasurer. The Board Secretary shall revise and deliver to the Treasurer any changes to Attachment B as they occur. The Treasurer may rely on the latest authorized list received from the District.

SECTION 2. The District agrees to indemnify the County, Treasurer, their employees and representatives, and hold them harmless against, any loss of principal or interest, liability or expense incurred without gross negligence or bad faith on the Treasurer's part, arising out of or in connection with its acceptance or administration of its duties hereunder.

SECTION 3. Approval of the form of Memorandum of Understanding for the investment of funds in specific instruments, substantially in the form attached.

SECTION 4. The District has its own Investment Policy.

Furthermore, the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County found and determined that it would be to the advantage of the District to enter into a *Memorandum of Understanding* with the Los Angeles County Treasurer and Tax Collector providing for terms and conditions for the specific purpose investments by the Treasurer, as set forth in the Agreement and under terms and conditions contained therein. All the terms and conditions of the *Memorandum of Understanding*, Contract No. 4954, were accepted and approved, and the Chairperson and Secretary were authorized to execute the Agreement on behalf of the District.

RE: RESOLUTION OF THE
BOARD OF DIRECTORS OF SANTA
CLARITA VALLEY SANITATION
DISTRICT OF LOS ANGELES COUNTY
APPROVING A JOINT COMMUNITY
FACILITIES AGREEMENT FOR THE
FIVE KNOLLS DEVELOPMENT - ADOPT

The Chief Engineer and General Manager presented a proposed *Resolution of the Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County Approving a Joint Community Facilities Agreement (JCFA) for the Five Knolls Development* with the William S. Hart Union High School District (School District), Community Facilities District No. 2015-1 of the William S. Hart Union High School

District (CFD), and Synergy-Brookfield LLC, A California Limited Liability Company (Brookfield). She advised that in order to fund obligations associated with its proposed development to the school district, Brookfield proposed and the School District established a CFD pursuant to the Mello-Roos Community Facilities Act of 1982. In accordance with the Mello-Roos Act, the School District is the sponsoring agency for the CFD. Brookfield has proposed to include the cost of certain facilities to be owned and operated by the District as part of the funding provided by the CFD. Accordingly, under the provisions of the Mello-Roos Act, the District must be party to the Agreement since it will be one of the ultimate recipients of the bond proceeds. The District will have no obligations for issuing any CFD bonds or for repaying any bonds that might be issued. The proposed Resolution, copy attached, authorizes the Chief Engineer and General Manager to execute the Agreement.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individual addressed the Board:

Cam Noltemeyer - 25936 Sardinia Court, Santa Clarita

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

Upon motion of Director Kellar, duly seconded and unanimously carried, the following Resolution was adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF
SANTA CLARITA VALLEY SANITATION DISTRICT OF
LOS ANGELES COUNTY
APPROVING A JOINT COMMUNITY FACILITIES AGREEMENT
FOR THE FIVE KNOLLS DEVELOPMENT

Synergy-Brookfield LLC, a California limited liability company, or related entities (together "Brookfield") serves as the master developer of certain real property (the "Property") in the Santa Clarita Valley commonly referred to as the Five Knolls Development.

The Property is not currently within the service boundaries of the Santa Clarita Valley Sanitation District of Los Angeles County (the "Sanitation District"), however, proceedings have been instituted pursuant to state law to annex the Property into the service boundaries of the Sanitation District.

The Property is located within the boundaries of the William S. Hart Union High School District (the "School District"). Pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Act") and Brookfield's petition, the Governing Board of the School District has established Community Facilities District No. 2015-1 (the "Community Facilities District"), the boundaries of which include the Property.

Pursuant to the Act, the qualified electors of the Community Facilities District have authorized the levy of special taxes upon the land within the Community Facilities District and have authorized the issuance of bonds secured by the Special Taxes, the proceeds of which are to be used to finance certain public facilities.

The facilities proposed to be financed by the Community Facilities District include certain school facilities to be owned and operated by the School District (the "School District Facilities"), certain facilities to be owned and operated by the Sanitation District (the "Sanitation District Facilities") and certain facilities to be owned and operated by certain other public agencies (the "Other Agency Facilities").

Section 53316.2 of the Act provides that a community facilities district may finance facilities to be owned or operated by a public agency other than the agency that created the community facilities district only pursuant to a joint community facilities agreement or a joint exercise of powers agreement adopted pursuant to said Section.

Section 53316.2 of the Act further provides that at any time prior to the adoption of the resolution of formation creating a community facilities district or a resolution of change to alter a district, or a resolution or resolutions authorizing issuance of bonds pursuant to Section 53356 of the Act, the legislative bodies of two or more local agencies may enter into a joint community facilities agreement pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act to exercise any power authorized by the Act with respect to the community facilities district being created if the legislative body of each entity adopts a resolution declaring that the joint agreement would be beneficial to the residents of that entity.

Development of the Property will require the payment of certain sewerage system connection fees (the "Connection Fees") to the Sanitation District.

The School District, the Community Facilities District, the Sanitation District and Brookfield desire to enter into a Joint Community Facilities Agreement in accordance with Sections 53316.2, 53316.4, and 53316.6 of the Act in order to provide for the financing of the Sanitation District Facilities through the issuance of Bonds by the Community Facilities District.

The Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County therefore resolves as follows:

Pursuant to Section 53316.2 of the Act, the Board of Directors hereby approves the Joint Community Facilities Agreement substantially in the form on file with the Secretary of the Board, and determines that the Joint Community Facilities Agreement will be beneficial to the residents of the territory served by Santa Clarita Valley Sanitation District of Los Angeles County and included within the jurisdictional boundaries of the Community Facilities District.

The Chief Engineer and General Manager and the Secretary of the Board of Directors, on behalf of the District, are hereby authorized and directed to execute and deliver the Joint Community Facilities Agreement in the form presented at this meeting with any changes, insertions and omissions as may further the purposes of the Joint Community Facilities Agreement.

RE: SERVICE CHARGE REPORT
RECEIVE AND ORDER FILED
SET PUBLIC HEARING FOR
APRIL 18, 2016, AND GIVE
REQUIRED NOTICE

The Chief Engineer and General Manager presented a report titled *Santa Clarita Valley Sanitation District Service Charge Report for Fiscal Year 2016-17*, prepared in accordance with Section 5473 of the Health and Safety Code of the State of California and which establishes the formula for the calculation of a sewage unit that represents the average daily quantity of sewage flow and strength from a single-family home (SFH). She referred to the letter dated March 16, 2016, to the Board, which stated that on July 7, 2014, the Board adopted service charge rates for six fiscal years (2014-15 through 2019-20). Prior to service charge rates being adopted two years ago, the District engaged the community in extensive outreach that consisted of: individual notices mailed to every property owner in the District connected to the sewerage system, three full page ads in the Santa Clarita Valley Signal newspaper, six information meetings throughout the Valley, three tours of the Valencia Water Reclamation Plant (WRP), six meetings with business and industry groups, two meetings with town council/advisory committees, and a public hearing.

In this District, the current service charge rate per SFH is \$23.92 per month per single-family home (\$287 per year). The service charge rate for 2016-17, as previously adopted by the Board, is \$25.58 per month (\$307 per year), an increase of \$1.67 per month over the 2015-16 rate. Multi-family residential units will pay 60 percent of the adopted SFH rate and condominiums will pay 75 percent of the adopted SFH rate. Likewise, commercial and industrial dischargers will pay in proportion to their use of the regional wastewater management system compared to a SFH. Dischargers with verified low water usage (particularly seniors and retirees) may also qualify for a reduced charge

The Chief Engineer and General Manager recommended that, in accordance with Section 5473 of the Health and Safety Code, the Board instruct the District Clerk to publish newspaper notices to inform the public of the date, time, and place for a public hearing on the Service Charge Report, and that the public hearing be held on April 18, 2016, at 6:00 p.m. in the Santa Clarita City Hall Council Chambers, 23920 Valencia Boulevard, Santa Clarita, California, for the purpose of public discussion of the proposed service charge and its collection on the property tax roll. After the public hearing is closed, the Board will be requested to consider adoption of the Service Charge Report, which will ensure the continued collection of the service charge on the property tax roll for fiscal year 2016-17.

The Chairperson announced this was the time for any questions or comments by members of the public. The following individual addressed the Board:

Cam Noltemeyer - 25936 Sardinia Court, Santa Clarita

The presentation, along with the public testimony and Directors' comments, was recorded. The transcript of the proceedings, which by reference, is incorporated as a part hereof and is available at the Districts' office.

Upon motion of Director Kellar, duly seconded and unanimously carried, the *Santa Clarita Valley Sanitation District Service Charge Report for Fiscal Year 2016-17* was ordered filed with the Clerk of the District, and the Board does hereby fix April 18, 2016, at 6:00 p.m. as the date and time, and the Santa Clarita City Hall Council Chambers, 23920 Valencia Boulevard, Santa Clarita, California, as the place for a public hearing on *Santa Clarita Valley Sanitation District Service Charge Report for Fiscal Year 2016-17*, the Report having been duly filed with the District Clerk; and providing for the collection of the service charge on the property tax roll for fiscal year 2016-17.

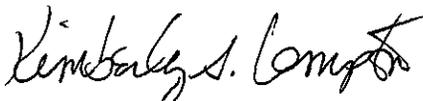
The Clerk of this Board shall cause notice of the filing of the Report and the time and place of the public hearing to be published once a week for two successive weeks in *The Signal Newspaper*, a daily newspaper, there being no newspaper of general circulation printed and published within the District, and in such other publications as are deemed appropriate by the Chief Engineer and General Manager.

Upon motion of Director Kellar, duly seconded and unanimously carried, the meeting adjourned to Monday, April 18, 2016, 6:00 p.m., at the Santa Clarita City Hall, 23920 Valencia Boulevard, Santa Clarita, California.



MICHAEL D. ANTONOVICH
Chairperson

ATTEST:



KIMBERLY S. COMPTON
Secretary

/ak