

RESOLUTION NO. SCV-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING AN INTERFUND LOAN TO REIMBURSE THE WHOLESALE WATER SYSTEM FOR MONEYS ADVANCED TO ACQUIRE THE COMMON STOCK OF THE VALENCIA WATER COMPANY

WHEREAS, pursuant to Senate Bill 634 ("SB634") the Castaic Lake Water Agency ("CLWA") and Newhall County Water District, have been reorganized effective January 1, 2018 as the newly created Santa Clarita Valley Water Agency (the "Agency"); and

WHEREAS, pursuant to Section 4(j) of SB634, the Agency has until January 31, 2018 to finalize a plan of dissolution for the Valencia Water Company ("VWC"), 100% of the common stock (the "VWC Common Stock") of which is currently owned by the Agency, as the successor to CLWA; and

WHEREAS, upon dissolution of VWC, the Agency will account for the revenues and expenses related to the customers of the VWC as a separate enterprise fund (referred to herein as the "Valencia Water Division"); and

WHEREAS, to assure compliance with Section 4(k) of SB634, the Agency desires to approve an interfund loan (referred to herein as "the "Acquisition Interfund Loan") between the Agency's Wholesale Water Division and the Valencia Water Division pursuant to which the revenues of the Valencia Water Division will be applied to reimburse the Agency's Wholesale Water Division for the acquisition costs of the VWC Common Stock;

NOW, THEREFORE, the Board of Directors of the Castaic Lake Water Agency hereby finds, determines, declares and resolves as follows:

SECTION 1. The Board hereby approves the Acquisition Interfund Loan from the Wholesale Water Division to the Valencia Water Division in an aggregate principal amount of \$58,600,000 and authorizes the repayment of the Acquisition Interfund Loan to the Agency's Wholesale Water Division from revenues derived from the Agency's Valencia Water Division. The Acquisition Interfund Loan shall become effective simultaneously with dissolution of the VWC. The Acquisition Interfund Loan shall be payable at such times and in principal and interest amounts as are set forth in the schedule attached hereto as Exhibit A. Notwithstanding the foregoing, the Board hereby authorizes the General Manager or an Assistant General Manager of the Agency to modify the principal amount, interest rate, term and such other provisions of the Acquisition Interfund Loan as such officer determines is necessary to comply with applicable law, including, but not limited to, SB634.

SECTION 2. The General Manager and Assistant General Managers of the Agency and their designees, in consultation with General Counsel, are each hereby authorized to take all actions as they deem necessary to comply with the provisions of this resolution.

SECTION 3. This resolution shall take effect immediately.


President

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Santa Clarita Valley Water Agency, and that at a regular meeting of the Board of Directors of said Agency held on January 9, 2018, the foregoing Resolution No. SCV-09 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: January 9, 2018


Secretary



EXHIBIT A

Interfund Loan Repayment Schedule Purchase of Valencia Water Company

Interfund Loan Repayment Assumptions	
Purchase Price / Loan Amount	\$58,600,000
Date of Purchase / Loan Accrual Begins	12/21/2012
Interfund Loan Interest Rate	4.50%

Interfund Loan Repayment Schedule - Total

Year #	FY Ending	Interfund Loan Payments (Total)	Principal Paid	Interest Paid	Interest Accrued	Loan Ending Balance (net of FY payments)
	12/21/2012	(\$58,600,000)				
0.5	6/30/2013	\$ -	\$ -	\$ -	\$ 1,379,910	\$ 59,979,910
1	6/30/2014	798,600	-	798,600	2,551,200	61,732,510
2	6/30/2015	798,600	-	798,600	2,777,963	63,711,873
3	6/30/2016	798,600	-	798,600	2,867,034	65,780,307
4	6/30/2017	798,600	-	798,600	2,960,114	67,941,821
5	6/30/2018	798,600	-	798,600	3,057,382	70,200,603
6	6/30/2019	4,717,595	1,585,067	3,132,528		68,615,536
7	6/30/2020	4,717,595	1,657,607	3,059,988		66,957,929
8	6/30/2021	4,717,595	1,733,468	2,984,127		65,224,461
9	6/30/2022	4,717,595	1,812,800	2,904,795		63,411,661
10	6/30/2023	4,717,595	1,895,763	2,821,832		61,515,898
11	6/30/2024	4,717,595	1,982,523	2,735,072		59,533,375
12	6/30/2025	4,717,595	2,073,253	2,644,342		57,460,122
13	6/30/2026	4,717,595	2,168,136	2,549,459		55,291,986
14	6/30/2027	4,717,595	2,267,361	2,450,234		53,024,626
15	6/30/2028	4,717,595	2,371,127	2,346,468		50,653,499
16	6/30/2029	4,717,595	2,479,641	2,237,954		48,173,858
17	6/30/2030	4,717,595	2,593,122	2,124,473		45,580,735
18	6/30/2031	4,717,595	2,711,797	2,005,798		42,868,938
19	6/30/2032	4,717,595	2,835,903	1,881,692		40,033,036
20	6/30/2033	4,717,595	2,965,688	1,751,907		37,067,348
21	6/30/2034	4,717,595	3,101,413	1,616,182		33,965,935
22	6/30/2035	4,717,595	3,243,349	1,474,246		30,722,586
23	6/30/2036	4,717,595	3,391,781	1,325,814		27,330,804
24	6/30/2037	4,717,595	3,547,007	1,170,588		23,783,798
25	6/30/2038	4,717,595	3,709,336	1,008,259		20,074,462
26	6/30/2039	4,717,595	3,879,094	838,501		16,195,368
27	6/30/2040	4,717,595	4,056,621	660,974		12,138,747
28	6/30/2041	4,717,595	4,242,272	475,323		7,896,475
29	6/30/2042	4,717,595	4,436,420	281,175		3,460,055
30	6/30/2043	3,538,196	3,460,055	78,142		0