1. Consistent with Section 3 of the Santa Clarita Valley Water Act (the “Act”), the boundaries for the Santa Clarita Valley Water Agency (“SCV Water” or “Agency”) are hereby confirmed and determined as shown in Attachment “C” to the Final Written Report/Staff Report, Exhibit “A” (Geographic Description) and Exhibit “B” (Map).

2. Consistent with Section 4(b) of the Act, the Agency shall be the successor to the Castaic Lake Water Agency (CLWA) and the Newhall County Water District (NCWD) for the purpose of succeeding to all of the rights, duties, obligations, contracts, responsibilities, assets, entitlements, and liabilities of the Castaic Lake Water Agency and the Newhall County Water District, including, but not limited to, the performance or payment of any outstanding bonds described in Section 53350 of the Government Code. As the successor agency, the Santa Clarita Valley Water Agency shall inherit the Castaic Lake Water Agency’s Coterminous Sphere of Influence (“Coterminous SOI”) as approved by the Commission on June 17, 2003 and reconfirmed by the Commission on October 10, 2012 (as shown in Attachment “D” to the Final Written Report/Staff Report).

3. Consistent with Section 29(e) of the Act, the functions or classes of services that were being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017, and are hereby considered to be authorized functions or classes of services (also known as “active powers”) of the Agency, as identified on page 16 (Table 2-1) of the SCV Water Plan for Services, are, as follows:

   A. Water;
   B. Sewer Facilities;
   C. Power Generation; and
   D. Recycled Water Service

4. The functions or classes of services that were not being exercised by the Castaic Lake Water Agency and the Newhall County Water District on December 31, 2017, and which are hereby considered to be new or different functions or classes of services (“latent powers”) of the Agency, as identified on page 16 (Table 2-1) of the SCV Water Plan for Services, are, as follows:

   A. Fire Protection;
   B. Recreational Facilities; and
   C. Sanitation Service.

5. Consistent with Section 17(b) of the Act, any and all other functions or classes of services not identified in Condition No. 3, above, which the Agency may propose to
exercise are considered to be new or different functions or classes of services (also known as “latent powers”). The Agency is prohibited from exercising such new or different functions or classes of services without the advance, written approval of the Commission pursuant to Government Code Sections 56824.10 through 56824.14, inclusive, and as addressed elsewhere in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

6. The Agency shall support LAFCO’s preparation of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Agency, as follows:

A. Within twelve (12) months of the effective date of these conditions, the Agency shall enter into a Memorandum of Understanding (“MOU”) or equivalent with LAFCO wherein the Agency shall reimburse LAFCO for the cost of soliciting, hiring, and paying for a consultant to prepare the Santa Clarita Valley Water Agency MSR and SOI Update.

B. The Agency shall actively cooperate with LAFCO and its consultant in terms of providing information, responding to inquiries, and actively doing anything within the Agency’s power to assist LAFCO and its consultant in the preparation of the MSR and SOI Update; and

C. The Agency shall send a representative (or representatives) to all LAFCO (or consultant) community meetings as well as all meetings of the Commission concerning the proposed MSR and SOI Update.

7. Pursuant to Government Code Section 56133(e)(4), the Commission hereby acknowledges that SCV Water provides retail water service to the five hundred twenty-four (524) service connections within the boundaries of that specific geographic area formerly served by the Valencia Water Company (VWC) (the area shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map (“Existing VWC Boundary Outside SCV Water Boundary-Existing Service”) of the SCV Water Plan for Services) and currently outside of the SCV Water boundaries. (NOTE: The Agency has provided, and LAFCO will maintain on file, a listing of all service connections by Assessor Parcel Number and/or address.)

8. SCV Water is prohibited from providing new service, or establishing new service connections, to any other parties within that specific geographic area shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map (“Existing VWC Boundary Outside SCV Water Boundary-Existing Service” of the SCV Water Plan for Services) without the advance, written consent of LAFCO pursuant to a future annexation as contemplated in Condition No. 9, below.
9. No later than January 1, 2020, the Agency shall file an application with LAFCO to annex that specific geographic area formerly served by the Valencia Water Company (VWC), shaded in green as indicated on Page 17, Figure 2-1 SCV Water Service Area Map, of the SCV Water Plan for Services. Said application shall include an associated Sphere of Influence (SOI) amendment and proof of California Environmental Quality Act (CEQA) compliance.

10. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) reflecting its compliance with the Ralph M. Brown Act (Government Code Section 54950 et seq).

11. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) reflecting its compliance with the Public Records Act (Government Code Section 6250 et seq).

12. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) regarding adoption and periodic updating of a Conflict of Interest Code in compliance with the Political Reform Act (Government Code Section 81000 et seq).

13. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) governing the retention/disposal of records.

14. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) concerning all compensation (i.e. stipends) and reimbursement of expenses for all board-members.

15. No later than January 1, 2019, the Agency shall adopt a policy (or re-adopt a prior policy of one or more of its predecessor agencies) concerning reimbursement of employee expenses.

16. The Agency shall maintain, and regularly update, the following information and documents on its website:

   A. Adopted policies concerning the Ralph M. Brown Act (Condition No. 10), the Public Records Act (Condition No. 11), Conflict of Interest Code (Condition No. 12), retention/disposal of records (Condition No. 13), board-member compensation and reimbursement expenses (Condition No. 14), and employee reimbursement (Condition No. 15).
B. Agency’s audited financial statements for the last three (3) fiscal years (initially, this shall include the audited financial statements of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).

C. Adopted Final Budgets for the last three (3) fiscal years (initially, this shall include the adopted final budgets of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).

D. Comprehensive Annual Financial Reports (“CAFRs”) for the last three (3) fiscal years (initially, this shall include the CAFRs of all predecessor public agencies: Castaic Lake Water Agency, Newhall County Water Agency, and Santa Clarita Water Division).

E. Consumer Confidence Reports for the last three (3) fiscal years (initially, this shall include the joint Consumer Confidence Reports of all predecessor agencies: Castaic Lake Water Agency, Newhall County Water Agency, Santa Clarita Water Division, and the Valencia Water Company).

F. Most recently-adopted Urban Water Management Plan (“UWMP”), and, going forward, any updates or newly-adopted UWMPs.

G. Most recently-adopted Integrated Regional Watershed Management Plan(s) (IRWMPs) for the Upper Santa Clara River Watershed, and, going forward, any updates or newly-adopted IRWMPs.

H. Documentation of compliance with SB 272 (Hertzberg, 2015), to include a catalog of the Agency’s enterprise systems (any software application or computer system that collects, stores, exchanges, and analyzes information that the Agency uses).

I. Board of Directors Agenda Packages for upcoming meetings, as well as a catalog of all prior Board of Directors Agenda Packages as of January 1, 2018 and later.

J. Board of Directors Committee Agenda Packages for upcoming meetings, as well as a catalog of all prior Board of Directors Committee Packages as of January 1, 2018 and later.

K. Board of Directors and Board of Directors Committee Meeting minutes for all meetings as of January 1, 2018 and later for which minutes are taken.
L. Maps of all Agency electoral divisions.

M. Biographies of all directors, including information on their terms of office.

N. Agency staff organizational chart.

O. Agency telephone/e-mail directory for key staff (including, but not limited to, management, supervisors, director/division leaders) and public contacts (including, but not limited to, establishing service, billing, public information officer, conservation information, and records requests).

P. Copies of all adopted Joint Powers Authority agreements (JPAs), Memoranda of Understanding (MOUs), or Memoranda of Agreement (MOAs) with other public agencies, except those that are exempt from disclosure by law.

Q. Identification of all outstanding bonds (broken down by the Agency, the Castaic Lake Agency, the Newhall County Water Agency, the Santa Clara Water Division, and the Valencia Water Company), and, further, for each bond issuance, quantification of the original indebtedness, year of issuance, amount of indebtedness outstanding (updated annually), and interest rate.

R. Copies of applicable municipal credit rating agency (Moody’s, Standard & Poor’s, Fitch) reports on outstanding Agency debt issuances including any updates issued by those rating agencies.

S. All water wells operated by the Agency shall be listed on the website. The website shall include groundwater elevation levels and production volumes for each well, which shall be updated monthly.

17. The Agenda Package for at least one (1) meeting every calendar month shall include a listing of all board-member compensation and expense reimbursements for the prior month (or since the last report).

18. Upon request, the Agency shall provide, to any requesting party, information concerning all board-member compensation and expense reimbursements, in compliance with the timing requirements in the California Public Records Act. If this information is available in an on-line format, the Agency may comply with this condition by providing links to the appropriate information available on-line.

19. Prior to the adoption of any changes in retail water rates, the Board of Directors of SCV Water ("Board") shall submit any proposed retail water rate changes to the Ratepayer
Advocate identified in Section 14(b) of the Santa Clarita Valley Water Act, once the position has been established in compliance with that section. At least thirty (30) calendar days in advance of any proposed Board adoption of revised retail water rates, the Agency shall post to its website documentation concerning any findings, conclusions, reports, and/or similar determinations by the Ratepayer Advocate.

20. The Agency shall adopt a resolution establishing the appropriations limit for the upcoming fiscal year, no later than June 30\textsuperscript{th} of each year, in compliance with Article XIII B of the California Constitution (Gann Spending Limit Initiative).

21. Within one (1) year of the effective date of these conditions, the Agency shall provide LAFCO with a report documenting compliance with all conditions herein.

22. The effective date of these conditions shall be April 11, 2018, the date upon which the Commission approved the Final Written Report pursuant to Section 29(c) of the Act.