

RESOLUTION NO. SCV-361

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARITA VALLEY WATER AGENCY
INITIATING PROCEEDINGS TO ADOPT WATER STANDBY CHARGES
FOR TESORO DEL VALLE DEVELOPMENT FOR FISCAL YEAR 2023/24
PURSUANT TO THE UNIFORM STANDBY CHARGE PROCEDURES ACT AND
HEALTH AND SAFETY CODE SECTION 5471 ET SEQ.,
CALLING A PUBLIC HEARING IN ACCORDANCE WITH ARTICLE XIII D OF THE
CALIFORNIA CONSTITUTION AND GOVERNMENT CODE SECTION 54984.3,
AND TAKING OTHER ACTIONS RELATING THERETO**

WHEREAS, the Santa Clarita Valley Water Agency (SCV Water) is authorized to adopt water standby charges under Health and Safety Code section 5471 *et seq.* and Section 20 of Senate Bill 634, the "Santa Clarita Valley Water Agency Act" (SB 634), provided such standby charges are adopted in accordance with the procedures set forth in the Uniform Standby Charge Procedures Act (Government Code section 54984 *et seq.* (Act)); and

WHEREAS, the Castaic Lake Water Agency (CLWA), predecessor to SCV Water, previously entered into an annexation agreement with Montalvo Properties (Montalvo) in order to meet Tesoro Del Valle Development's (Tesoro) water supply demands, with respect to approximately 801.53 acres of property in the eastern portion of the Santa Clarita Valley, which was divided into 18 major parcels, which will be further subdivided into individual dwelling units; and

WHEREAS, the annexation agreement between CLWA and Montalvo that was executed on September 30, 2013 was assigned to BLC Tesoro, LLC (BLC Tesoro) and the Tesoro property was reduced to 324 acres and 13 major parcels; and

WHEREAS, the water supply for Tesoro is provided by SCV Water through a purchased water contract with a joint project of the Buena Vista Storage District (BV) and the Rosedale-Rio Bravo Water Storage District (RRB), referred to as BVRRB and

WHEREAS, the BVRRB provides 11,000 acre feet per year (AFY) of firm water supply capacity to SCV Water, approximately 389 AFY of which will be used for Tesoro; and

WHEREAS, in the July 11, 2019 Board Memorandum relating to the approval of a resolution of application by SCV Water requesting Los Angeles LAFCO initiate proceedings for annexation of Tesoro, it was noted that "BLC [Tesoro] will continue to pay [BVRRB] carrying costs through the payment of standby charges, which SCV Water requests be imposed as a condition of the LAFCO annexation" and "consistent with discussions at the May 13, 2019 Water Resources and Watershed Committee meeting, carrying costs will end after homeowner occupancy, and homeowners will pay water rates consistent with existing SCV Water customers."

WHEREAS, in order to reserve and secure such water supply for the benefit of BLC Tesoro upon Tesoro's development and connection of individual dwelling units to SCV Water, SCV Water wishes to establish water standby charges (Standby Charges) to recover the costs associated with securing such supply for the benefit of BLC Tesoro; and

WHEREAS, SCV Water has caused an independent and registered professional engineer certified by the State of California to prepare a detailed engineer's report (Report), currently on

file with SCV Water and available for review, which demonstrates that the proposed Standby Charges will not exceed the reasonable cost of the proportional special benefit conferred on any parcel subject to the Standby Charge, and that no general benefit is recovered through the Standby Charges; and

WHEREAS, the special benefit to be conferred on each parcel is the reservation of water supply needed to serve such parcel; and

WHEREAS, the Standby Charges will be adopted pursuant to authority set forth in Section 20 of SB 634 and in accordance with the procedures of the Act and Health and Safety Code section 5471 *et seq.*, and SCV Water further intends to cause the Standby Charges to be collected by the County of Los Angeles pursuant to Health and Safety Code section 5473 *et seq.*; and

WHEREAS, pursuant to Government Code section 54984.3, SCV Water must now adopt this resolution to initiate proceedings to adopt the Standby Charges;

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. Recitals. The recitals set forth above are true and correct, and by this reference incorporated herewith.

SECTION 2. Engineer’s Report. SCV Water has caused the Report to be prepared, which is on file with SCV Water and available for public inspection. The Report describes the Standby Charges and methodology for imposition, compiles the amount of the Standby Charges for each parcel subject to the Standby Charges, describes the methodology and rationale followed in determining the degree of benefit conferred by SCV Water’s activities paid for by the Standby Charges, and includes other information relating to the Standby Charges.

SECTION 3. Description of Assessed Property. A description of the lands upon which the charges are to be imposed is included herewith as Exhibit “A” of this Resolution, and by this reference incorporated herein. The Standby Charges will be collected for each identified parcel until it is fully built out and a homeowner occupies the parcel and begins paying SCV Water for water service.

SECTION 4. Assessment Rate. The rate for the Standby Charges are proposed to vary based on whether property is used for Single Family Residential development (SFR) or landscape (Landscape) based on proportional special benefit conferred, and is proposed to be measured on a square foot basis. The rate for the Standby Charges for Fiscal Year 2023/24 is proposed as follows:¹

SFR	\$0.0647 per sq. ft.
Landscape	\$0.034 per sq. ft.

SECTION 5. Inflationary Adjustment. In order to account for future increases in the cost of BVRRB Water and to account for future increased costs associated with the special benefit conferred to each parcel by the service paid for with the Standby Charges, SCV Water further

¹ Parcels may receive a credit against the total Standby Charge due for Fiscal Year 2023-2024 to reflect contractual payments previously made to SCV Water.

proposes to annually adjust the Standby Charges in accordance with the annual percentage increase in the prior calendar year in the Consumer Price Index (All Urban Consumers – All Items – Los Angeles-Long Beach-Anaheim, CA Area), as published by the U.S. Department of Labor, U.S. Bureau of Labor Statistics, beginning July 1, 2024 and each July 1 thereafter. The proposed annual adjustment shall not exceed 10% for any fiscal year.

SECTION 6. Public Hearing. The SCV Water Board of Directors will conduct a public hearing on August 1, 2023, at the hour of 6:00 p.m. in the Rio Vista Water Treatment Plant Board Room of SCV Water located at 27234 Bouquet Canyon Road, Santa Clarita, California, 91350, to consider the establishment of the Standby Charges for Fiscal Year 2023/24 and adoption of the inflationary adjustments set forth in Section 5 herein, for those parcels of land described on Exhibit “A” attached hereto, and in the amount set forth for each such parcel on said Exhibit “A.” SCV Water may provide an option for members of the public to participate in the public hearing virtually, and should the Board of Directors determine that, due to a public health concern, the meeting must be held entirely virtually in accordance with applicable law, SCV Water shall cause notice of such determination to be displayed on its website, and such determination shall not disrupt the proceedings set forth herein.

The public hearing shall be conducted in accordance with the requirements set forth in article XIII D of the California Constitution and Government Code section 53753 (collectively, “Proposition 218”). Notice and ballot shall be provided in the manner and containing the information required pursuant to Proposition 218.

At the public hearing, affected landowners who wish to protest the proposed Standby Charges shall do so by submitting a ballot or protest with the Agency not later than the close of the public hearing. To be considered, the ballot must contain a description sufficient to identify the land owned by the landowner, and comply with the requirements set forth in the notice to be provided for the public hearing. A ballot may be withdrawn at any time prior to this Board’s determination fixing the charge. The Board of Directors may not adopt the Standby Charges if upon the conclusion of the public hearing, ballots submitted in opposition to the Standby Charge exceed the ballots submitted in favor of the Standby Charges. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

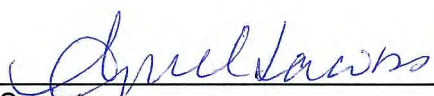


President

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 scheduled meeting of the Board of Directors of said Agency held on June 6, 2023 the foregoing Resolution No. SCV-361 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: June 6, 2023





Secretary

EXHIBIT A

List of Separate Parcels

Major Parcel	APN	Sq. Ft.	Total Annual Stand-By Charge
1	3244-162-04	221,292	\$7,712
2	3244-162-02	1,460,003	\$69,657
3	3244-162-01	836,226	\$45,726
4	3244-162-06	663,230	\$29,606
5	3244-162-05	149,032	\$5,068
6	3244-161-03	0	\$0
7	3244-161-05	1,003,193	\$43,151
8	3244-161-07	1,011,030	\$47,042
9	3244-161-19	75,201	\$3,673
10	3244-161-11	1,265,741	\$65,343
11	3244-161-15	174,337	\$7,963
12	3244-161-06	834,105	\$36,293
13	3244-161-13	571,682	\$26,489
Total		8,265,072	\$387,724