

RESOLUTION NO. SCV-42

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARITA VALLEY WATER AGENCY AUTHORIZING SUPPORT OF, AND PARTICIPATION IN, CALIFORNIA WATERFIX AND AUTHORIZING THE GENERAL MANAGER TO NEGOTIATE, EXECUTE AND DELIVER A GAP FUNDING AGREEMENT WITH THE DEPARTMENT OF WATER RESOURCES

WHEREAS, the California WaterFix (CWF) is a critical component of the California Water Action Plan, the State of California's blueprint for "a sustainable and resilient future"; and

WHEREAS, the CWF is essential to protecting and assuring the California State Water Project's (SWP) future reliability by addressing the Delta's ecosystem and levee system which are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change, and environmental degradation; and

WHEREAS, on July 21, 2017, the California Department of Water Resources (DWR), acting as Lead Agency, certified the final environmental analysis for the CWF and signed the Notice of Determination thereby approving CWF as the proposed project under the California Environmental Quality Act; and

WHEREAS, various SWP Contractors (the "Project Participating Members") have committed to, or will be committing to, assisting DWR in the financing of CWF, among others, in the following ways (collectively, the "CWF Financial Arrangements"):

1. The CWF Participating Members have proposed forming a joint power authority (the "Financing JPA") that would facilitate through different actions the issuance of revenue bonds by DWR (the "DWR Bonds") to finance the construction of the CWF, including (without limitation) through the issuance of bonds of its own (the "Financing JPA Bonds") for the purpose of financing CWF through the purchasing of the DWR Bonds; and
2. The CWF Participating Members have proposed supporting the Financing JPA Bonds by protecting the purchasers of such bonds from the risk of nonpayment or invalidity of DWR Bonds through one or more agreements (any such agreement, a "support agreement" and any such support agreement or other form or support of the DWR Bonds being referred to herein as "Support"), including, without limitation, in the form of debt service support agreements, or through the purchase by the CWF Participating Members of DWR Bonds or other property through installment purchase agreements, and;
3. The Financing JPA and DWR would enter into a security agreement (the "Security Agreement") pursuant to which DWR would agree that if it defaults in the payment of debt service of the DWR Bonds or other agreed-upon conditions, DWR would transfer to the Financing JPA or another designated entity all the DWR's right, title and interest in CWF and use its efforts to assist any other necessary transfers to permit the Financing JPA or other designated entity to construct CWF; and

WHEREAS, various SWP Contractors have committed to, or will be committing to, the formation of a Delta Conveyance Design and Construction Joint Power Authority (DCA) for the implementation of CWF, providing fiscal control and oversight and protection of the public's investment; and

WHEREAS, DWR requested SWP Contractors provide sufficient interim or "gap" funding to cover anticipated CWF related costs in 2019; and

WHEREAS, Santa Clarita Valley Water Agency's (SCVWA) participation allocation in the SWP under the State Water Contracts equals 2.35% of the total project cost; and

WHEREAS, the Board of Directors of the SCVWA desires to authorize its General Manager to negotiate, execute, and deliver a gap funding agreement to effect the SCVWA participation in the CWF, consistent with the SCVWA allocation share of the total project participation proportion.

NOW THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clarita Valley Water Agency does hereby find and determine and order as follows:

1. SCVWA endorses DWR's approval of the CWF.
2. As a responsible agency, SCVWA:
 - a. has considered DWR's certified Final EIR and the impacts of the project as disclosed and analyzed in the Final EIR,
 - b. adopts DWR's Finding of Fact with respect to each potentially significant impact of the project,
 - c. adopts a Statement of Overriding Considerations in view of potentially significant and unavoidable impacts, and
 - d. adopts the Mitigation Monitoring and Reporting Program.
3. Authorizes and approves the SCVWA's participation in the gap funding.
4. Directs its General Manager to enter into a gap funding agreement for SCVWA's share, up to \$2,081,026.


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 June 5, 2018, the foregoing Resolution No. SCV-42 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 5, 2018


Secretary

