

**RESOLUTION NO. SCV-223**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SANTA CLARITA VALLEY WATER AGENCY  
AUTHORIZING THE INCURRENCE OF OBLIGATIONS  
EXCEEDING THE SB 634 RETAIL DEBT SINGLE ISSUANCE LIMITATION  
FOR THE PURPOSE OF  
FINANCING THE ACQUISITION OF PFAS TREATMENT FACILITIES**

**WHEREAS**, Per- and polyfluoroalkyl substances (PFAS) are a group of man-made chemicals, which have been manufactured and used in a variety of industries worldwide; and

**WHEREAS**, according to the Environmental Protection Agency, exposure to certain PFAS can lead to adverse health effects in humans; and

**WHEREAS**, the State of California Division of Drinking Water has established Notification levels and Response levels for certain PFAS chemicals in drinking water sources; and

**WHEREAS**, the Santa Clarita Valley Water Agency has sampled its groundwater for PFAS since May 2019 and a total of 20 wells have been taken out of service due to PFAS exceeding a Response Level; and

**WHEREAS**, the Agency has embarked on a multi-year program to install treatment and other measures to address PFAS in local wells, including three that were returned to service in late 2020 with the completion of the first PFAS treatment facility; and

**WHEREAS**, additional PFAS treatment facilities are necessary to bring additional wells back into service and the estimated cost for PFAS facilities in the next five years could exceed \$60 million and the total cost of potential PFAS facilities could exceed \$100 million; and

**WHEREAS**, it is in the best interest of the Agency and its customers to proceed with PFAS treatment improvements in an expeditious manner to restore and protect water quality and restore water supply for the community; and

**WHEREAS**, the Board of Directors of the Agency has determined that it is necessary and advisable to incur obligations to finance the acquisition of PFAS treatment facilities; and

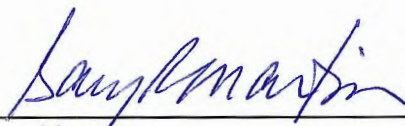
**WHEREAS**, staff will continue to pursue other sources of funding for PFAS treatment projects, including grants, low interest government loans and recovery of costs through litigation; and

**WHEREAS**, section 14(a) of the Santa Clarita Valley Agency Act authorizes the Board of Directors, by an affirmative vote of four-fifths of its membership, to issue new debt in excess of \$10 million at any one time that relates to retail functions of the Agency, excluding the refinancing of existing debt. The threshold is adjusted annually in proportion to the assessed value of real property within the Agency, and currently stands at \$11,047,000; and

**WHEREAS**, financing a large capital program for PFAS treatment under the restrictions of the current retail debt threshold could cause the Agency to instead issue smaller increments of

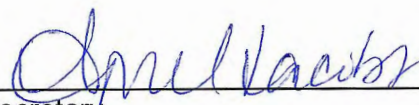
retail-related debt more frequently, which is less efficient and not in the best interest of the Agency.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Clarita Valley Water Agency, in accordance with section 14(a) of the Santa Clarita Valley Agency Act, hereby approves the incurrence of obligations in the amount of \$40 million, for the purpose of financing the acquisition of PFAS treatment facilities.

  
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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 July 6, 2021, the foregoing Resolution No. SCV-223 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: July 6, 2021

  
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Secretary

