

SANTA CLARITA VALLEY WATER AGENCY

ENGINEER'S REPORT FOR FISCAL YEAR 2026-27

**ANNEXED AREA OF TESORO DEL VALLE
DEVELOPMENT**

STAND-BY CHARGE



AFFIDAVIT FOR THE ENGINEER'S REPORT

Santa Clarita Valley Water Agency

WATER STAND-BY CHARGE

This report describes the annual stand-by charge of the Santa Clarita Valley Water Agency (SCV Water), which was created on January 1, 2018, by an act of the State Legislature (SB 634) through the merger of the three water agencies: Castaic Lake Water Agency, Newhall County Water District, and the Valencia Water Company. This Report outlines the assessment methodology, affected parcels, and assessments to be levied for Fiscal Year 2026-2027. The undersigned respectfully submits the enclosed report as directed by the SCV Water Board of Directors.

Dated this 21st day of April, 2026

Signed by:

By: 1C50DE94EC6B485...
Matt Stone
General Manager

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OVERVIEW

Introduction

Stand-by charges are assessments imposed on property to cover costs for water availability and capacity in the water system, including operating and maintenance expenses, prior to a property connecting to the water system. Unlike ongoing water service charges, stand-by charges are not imposed for a service that is immediately available or actually used by a parcel. As such, stand-by charges are considered “assessments” for purposes of Article XIII D of the California Constitution (“Article XIII D,” added as a part of Proposition 218 in 1996), because they are imposed to recover the cost of a benefit conferred to a parcel.

SCV Water was formed pursuant to the provisions of Senate Bill 634 (“SB 634”) in 2017. Section 20 of SB 634 provides as follows:

Notwithstanding any other law, the agency may fix, levy, or collect any stand-by or availability charge or assessment in connection with the provision of water service pursuant to the procedures set forth in the Uniform Stand-By Charge Procedures Act (Chapter 12.4 (commencing with Section 54984) of Part 1 of Division 2 of Title 5 of the Government Code).

As such, SCV Water is authorized to adopt stand-by charges pursuant to the Uniform Stand-By Charge Procedures Act (“Act”). SCV Water’s stand-by charges must also comply with the substantive and procedural requirements of Article XIII D, section 4, as well as Government Code section 53753 (referred collectively as “Proposition 218”).

HISTORICAL BACKGROUND AND CURRENT LEGISLATION

1. Uniform Stand-By Charge Procedures Act (Act)

The Act is contained in Government Code section 54984 *et seq.* and includes procedural requirements for adopting stand-by charges. These procedures are in addition to the procedural and substantive requirements of Proposition 218.

Stand-by charges must be adopted either (a) prior to August 10 if the County of Los Angeles will collect the stand-by charges on the Agency's behalf, or (b) prior to the start of the fiscal year if the Agency intends to collect the stand-by charge directly. Gov. Code sec. 54984.2. The stand-by charge may include schedules of rates that vary depending on the land uses, benefits derived or to be derived from the use or availability of water facilities, or other benefits, and the assessment may be imposed on an area, frontage, or parcel basis, or combination thereof. *Id.*

Prior to initiating proceedings, the Agency must have a report prepared by a qualified engineer, setting forth a description of the stand-by charge (including the basis, reasons for imposition, and a description of what the stand-by charge will pay for), the total amount that the stand-by charge is intended to recover from all assessed property and from each parcel, the identification of general and special benefits, a description of the methodology for allocating costs in accordance with special benefits conferred, and other relevant information relating to the stand-by charge. *Id.* at 54984.3; Cal. Const., art. XIII D, sec. 4.

To initiate proceedings, the Board of Directors of the Agency must adopt a resolution initiating a proceeding to fix a stand-by charge. *Id.* at 54984.3. The resolution must include the following information:

- (a) A statement that the report of a qualified engineer is on file with the Agency and that a stand-by charge is proposed based upon the report.
- (b) A description of the lands upon which the charge is to be imposed. Assessor parcel numbers shall constitute sufficient description for this purpose.
- (c) The amount of the charge for each of the lands so described.
- (d) The date, time, and place for a public protest hearing regarding the imposition of the stand-by charge and notice that the Board of Directors will hear and consider all objections or protests, if any, to the proposed stand-by charges. *Id.* at 54984.3.

The Agency must comply with the notice, protest, and hearing procedures applicable to assessments under Proposition 218 described below and the Proposition 218 Omnibus Implementation Act. *Id.* at sec. 54984.4. If there is no majority protest, and the stand-by charge is adopted, the Board may approve and then continue the stand-by charge in later years at the same or lower rate by resolution. *Id.* at sec. 54984.7. If the stand-by charge is proposed to be increased, extended, or a new stand-by charge is proposed to be added, the approval procedures set forth in Proposition 218 and the Proposition 218 Omnibus Implementation Act must be complied with. *Id.*

In the event that stand-by charges become delinquent, the Agency may adopt a resolution or ordinance providing that delinquent stand-by charges, together with interest and penalties thereon, are a lien on the delinquent property when a certificate is filed in the office of the County recorder, which has the force, effect and priority of a judgment lien. *Id.* at 54984.9. The certificate must specify the amount of the delinquency, together with interest and penalties, the name of the record owner of the property, and the assessor's parcel number and legal description of the property. *Id.* The Agency must record a release of the lien within 30 days of payment of all amounts due, including recordation fees. *Id.*¹

2. Requirements Under Proposition 218

The Act predates Proposition 218. SB 444, effective January 1, 2008, amended the Act to bring it into compliance and conform with the substantive and procedural requirements of Proposition 218. Pursuant to Article XIII D, section 4, the Agency must identify each parcel that receives special benefits² from public improvements or services that will be assessed for the benefits received. Cal. Const. art. XIII D, sec. 4(a). Moreover, the stand-by charge must be supported by a detailed engineer's report which makes this determination. *Id.* at sec. 4(b).³

The Agency must provide written notice of the proposed stand-by charge to the property owners of the identified parcels upon which the stand-by charge will be imposed. *Id.* at sec. 4(c). The notice must also include a ballot by which to register their support for or opposition to the stand-by charge, and an opportunity to protest the levy of the stand-by charge through a public hearing. *Id.* at sec. 4(d). The notice shall include:

- (a) the total amount of the stand-by charge chargeable to the entire Agency;
- (b) the amount of the proposed stand-by charge chargeable to an owner's parcel;
- (c) the duration of the payments;
- (d) the reason for the stand-by charge;
- (e) the basis upon which the proposed stand-by charge was calculated;
- (f) the date, time, and location of a public hearing on the proposed stand-by charge;
- (g) an assessment ballot; and

¹ If the Agency chooses to have the stand-by charges collected by the County in the same manner as other property taxes collected by the County, delinquencies are subject to the same enforcement mechanisms as property taxes, including a property tax lien.

² Special benefit is defined to mean "a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property values does not constitute a 'special benefit.'" Cal. Const., art. XIII D, sec. 2(i).

³ The requirement for an engineer's report in Proposition 218 and the requirement for a report under the Act can be satisfied with a single report.

(h) a summary of the procedures for the completion, return, and tabulation of the ballots, which must include:

- (1) the Agency's address and the location where a person may return the ballot; and
- (2) a place where the person returning the ballot may indicate his or her name, the location of his or her parcel, and whether he or she supports or opposes the proposed stand-by charge.

At least 45 days after mailing the notice and ballots, the Agency must hold a public hearing and protest proceedings. The ballots must be signed and either mailed or delivered to the address indicated on the ballot. In order to be tabulated, the Agency must receive the ballot prior to the close of the public hearing. The ballots must remain sealed until the close of the public hearing. Gov. C. sec. 53753(b)-(e); Cal. Const., art. XIII D, sec. 4(c). The ballots must be tabulated by an impartial person (which could be the Board Secretary), in public view to permit all interested persons to meaningfully monitor the accuracy of the tabulation process. *Id.*

The stand-by charges may not be imposed if there is a majority protest. A majority of protest exists if the ballots submitted in opposition to the proposed stand-by charges exceed the ballots submitted in favor. The ballots, however, are weighted according to the proportional financial obligation of the affected property owner. *Id.* at sec. 4(e).

These procedures apply any time a new or increased standby charge is adopted. Pursuant to Government Code section 54984.7, if the procedures set forth above were complied with when the stand-by charge was adopted, SCV Water may, by resolution, continue the stand-by charge in successive years at the same rate. If new, increased, or extended assessments are proposed, the governing body shall comply with the notice, protest, and hearing procedures described above. Here, the Agency is proposing to continue the stand-by charge at the same or a lower amount than was previously adopted, and such, may proceed with a resolution and no public hearing.

WATER SERVICES

Description of Santa Clarita Valley Water Agency

The purpose of SCV Water is to unify and modernize water resource management within the Santa Clarita Valley through the efficient, sustainable, and affordable provision, sale, management and delivery of surface water, groundwater, and recycled water for municipal, industrial, domestic, and other purposes at retail and wholesale, and to do so in a manner that promotes the sustainable stewardship of natural resources in the Santa Clarita Valley.

SCV Water was created on January 1, 2018, by an act of the State Legislature (SB 634) through the merger of the three water agencies in the Santa Clarita Valley and serves a population of 292,000 through 75,474 retail water connections. Castaic Lake Water Agency (CLWA), Newhall County Water District, and the Valencia Water Company were merged to create the SCV Water. The Castaic Lake Water Agency was formed as a wholesale water agency to acquire, treat, and deliver the State Water Project water supply throughout the Santa Clarita Valley. The Santa Clarita Water Division, Newhall County Water District, and the Valencia Water Company were the retail water purveyors. SCV Water's service area has a population of 292,000 and covers approximately 197 square miles or 126,100 acres. The population at build-out is estimated to be 420,000. SCV Water also provides wholesale water to Los Angeles County Waterworks District #36.

Description of Tesoro del Valle Development

On February 19, 2013, CLWA, which later merged into SCV Water, entered into an annexation agreement with Montalvo Properties (Tesoro del Valle Development, referred to as Tesoro throughout this report). Montalvo Properties owns approximately 801.53 acres of land located in the eastern portion of the Santa Clarita Valley. This land is divided into 12 major parcels. These parcels are referred to throughout the report. Montalvo Properties wished to annex this area into CLWA, now SCV Water, for the purpose of receiving water supply. The current potable water demand for Tesoro will be approximately 61 acre-feet per year (AFY) for approximately 58 dwelling units.

The Tesoro square footage for the Landscape land use is 974,685. The square footage for the Single Family Residential (SFR) land use is 474,402. The total square footage of these two land uses is 1,449,087. A more detailed look at the square footage of each of the 12 major parcels is shown in Tables 8.

Description of Water Supply Used by the SCV Water to Serve Tesoro

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. The BVRRB provides 11,000 AFY of firm water supply capacity. Of this amount, approximately 61 AFY will be used by the Tesoro development.

BVRRB's carrying cost of water supply will be \$1,154.55/AF in FY 2026 - 2027. This rate is increased each year by the change in the Consumer Price Index (All Urban Consumers – All Items – Los Angeles-Long Beach-Anaheim, CA Area. Table 1 provides a detail of the carrying cost per acre foot of BVRRB's water supply and the total cost incurred by SCV Water to serve Tesoro demand.

**Table 1
Water Supply Costs to Meet Tesoro Demand**

Year	Carrying Cost/AF	BVRRB Capacity in AF	Total BVRRB Cost	Tesoro Approx. Demand in AF	Tesoro as % of BVRRB Capacity	Tesoro Portion of BVRRB Carrying Cost	Credits	Total Cost of Tesoro Supply
FY 2018/19	\$857.00	11,000	\$9,427,000	389	3.54%	\$333,373	(\$66,130) ¹	\$267,243
FY 2019/20	\$882.60	11,000	\$9,708,600	389	3.54%	\$343,331	0	\$255,806
FY 2020/21	\$888.09	11,000	\$9,768,990	389	3.54%	\$345,467	0	\$345,467
FY 2021/22	\$932.09	11,000	\$10,252,990	389	3.54%	\$362,583	0	\$362,583
FY 2022/23	\$996.72	11,000	\$10,963,320	389	3.54%	\$387,724	0	\$387,724
FY 2023/24	\$1,018.79	11,000	\$11,206,690	389	3.54%	\$396,309	0	\$396,309
FY 2024/25	\$1,047.21	11,000	\$11,519,310	389	3.54%	\$407,365	0	\$407,365
FY 2025/26	\$1,099.57	11,000	\$12,095,270	270	2.45%	\$296,884	0	\$296,884
FY 2026/27	\$1,154.55	11,000	\$12,700,015	61	0.55%	\$70,427	0	\$70,427

The credit of \$66,130 in FY 2018/2019 was for the sale of unused Tesoro water to another entity

Calculation of the Tesoro Stand-By Charges

TESORO ANNUAL AF DEMANDS BY LAND USE

The projected approximate total annual potable water demand for Tesoro is 61.31 AFY. This demand consists of 29.99 AFY for the SFR land use and 31.32 AFY for the Landscape land use. These projected demands were estimated by SCV Water staff. The process used by the Agency to estimate Tesoro demands is described below. SCV Water and the Tesoro Developer have mutually agreed to this amount in their Agreement.

Tesoro Total Demand

In this section, we will estimate the SFR demand for indoor and outdoor use. To calculate the average water use per dwelling unit according to average lot size, SCV Water took the 10-year actual consumption data from just over 400 homes in the existing Tesoro subdivision and used these averages with the new Tesoro development's seven different typical lot sizes to get a total dwelling unit consumption of 28.70 AFY. The total consists of 12.30 AFY of indoor water use (calculated by using a percentage estimated from the existing homes' square footage) and 16.40 AFY of outdoor use. SCV Water then added the non-residential demand (areas assumed to be maintained by the HOA) using the Estimated Total Water Use (ETWU) method (29.97 AFY) to get a total unadjusted water demand for Tesoro of 58.67 AFY. To this total, SCV Water added a water loss factor of 4.5% to get a final demand of 61.31 AFY which was rounded down to 61 AFY. These calculations assumed a Gallons Per Capita per Day of 55 and an average household density of 3.5 persons per household.

Total Tesoro SFR Demand Before Adjustment for Water Loss

To calculate the Single-Family Residential water demand of the Tesoro development, SCV Water multiplied the number of Tesoro dwelling units in a lot size category by the average water use for that lot size category of existing homes as described above. This calculation resulted in a total of 28.70 AFY. To calculate the indoor demand, the total demand was multiplied by the indoor water

use percentage calculated from the existing home sites. This calculation resulted in an indoor water demand of 12.30 AFY. Finally, to calculate the outdoor demand, the indoor demand was subtracted from the total demands which resulted in an outdoor demand of 16.40 AFY. Table 2 shows these calculations for the new SFR dwelling units (DU) of the Tesoro Development.

Table 2
Total Demand for the Tesoro Development SFR (before adjustment for water loss)

Lot Dimensions	Existing SFR Usage			Tesoro			
	Lot Size (sf)	Total (AF)	Indoor (%)	DU's	Total (AF)	Indoor (AF)	Outdoor (AF)
Estate (90x110)	9,900	0.86	25.0%	0	0.0	0.0	0.0
Estate (80x110)	8,800	0.76	28.3%	0	0.0	0.0	0.0
70x100	7,000	0.65	33.1%	1	0.70	0.20	0.50
65x100	6,500	0.58	37.1%	9	5.20	1.90	3.30
60x100	6,000	0.52	41.4%	17	8.80	3.60	5.20
55x100	5,500	0.45	47.7%	22	9.90	4.70	5.20
50x100	5,000	0.46	46.7%	9	4.10	1.90	2.20
			Totals	58	28.70	12.30	16.40

Tesoro SFR Total Demand (Indoor + Outdoor) Adjusted for Water Loss

The process of determining the total demand (indoor + outdoor) for the Tesoro SFR land use, after adjusting for water loss, is to adjust for the estimated water loss percentage of 4.5%. As shown in the calculations below, applying this water loss percentage results in a total estimated demand of 29.99 AFY which includes 1.29 AFY of water losses.

$$\begin{aligned} \text{Estimated Water Loss Percentage} &= 4.5\% \\ 28.70 \text{ AFY} * (1.045) &= 29.99 \text{ AFY} \\ \text{Estimated Water Loss (AFY)} &= 29.99 \text{ AFY} - 28.70 \text{ AFY} = 1.29 \text{ AFY} \end{aligned}$$

Tesoro Landscape Demand

Tesoro Landscaping is composed of softscape. Softscape refers to live horticultural elements such as low and medium water use plants such as flowers, shrubs, and trees. The total amount of Softscape area is 658,400 square feet. The landscape totals were provided by the Tesoro developer's engineer and landscape architect for the development.

Landscape demand is based on local evapotranspiration data, total landscape area, the plant factor, and irrigation system efficiency. Key inputs in the process of calculating Tesoro landscape demand included:

- **Reference Evapotranspiration (ETo)** is a standard measurement of environmental parameters that impact the water use of plants. The Reference ETo for the Tesoro development is 63.8 inches of water per square foot per year and is derived from the Santa Clarita CIMIS station data. This amount of water equates to 39.56 gallons per square foot per year using a conversion factor of 0.62. This calculation is shown below.

$$\begin{aligned} \text{Reference ETo} &= 63.8 \text{ inches/sf/year} * 0.62 \text{ conversion factor} \\ &= 39.56 \text{ gallons/sf/year} \end{aligned}$$

- **Plant Factor** refers to the estimated amount of water required by different types of plants when multiplied by the average inches per year evapotranspiration rate.
- **Irrigation System Efficiency Factor** refers to how effectively an irrigation system delivers and applies water to a specific irrigated area.
- **Evapotranspiration Adjustment Factor (ETAF)** is a demand adjustment factor that is applied to the Reference ETo when calculating demand. The ETAF reflects the plant factor and the irrigation efficiency factor.

Table 3 shows the calculation of the ETAF for each Tesoro Landscape hydrozone. The ETAF accounts for plant water demands and irrigation efficiency. The plant factors shown in Table 3 were obtained from the Water Use Classification of Landscape Species (WUCOLS) as published by the University of California-Davis. The irrigation efficiency values shown in Table 3 are based on industry standards.

Table 3
Tesoro Landscape ETAF
Plant Factor (PF) ÷ Irrigation Efficiency Factor = ETAF

Hydrozone / Planting Description	Plant Factor (PF)	Irrigation Method	Irrigation Efficiency (IE)	ETAF (PF/IE)
Recreation Center/Park/Paseo	0.80	Overhead Spray	0.60	1.333
Show Slope	0.30	Drip	0.80	0.375
Interior Slope	0.30	Drip	0.80	0.375
Fire Fuel Wet Zone	0.50	Rotary Spray	0.70	0.714

Tesoro Landscape Demand Before Adjustment for Water Loss

Table 4 on the following page shows the calculation, based on the inputs described above, of Tesoro Landscape demand for softscape **before adjustment for water loss**. Total estimated softscape demand is 29.97 AFY.

Table 4
Tesoro Landscape Demand Before Adjustment for Water Loss

Lot Description	Reference ETo (1)	Conversion Factor (2)	Softscape		Softscape SF	Gallons/Year (5)	AFY
			Gallons/SF/Year (3)	ETAF (4)			
Recreation Center/ Park/Paseo	63.8	0.62	39.556	0.375	0	0	0
Show Slope	63.8	0.62	39.556	0.375	25,800	382,704	1.17
Interior Slope	63.8	0.62	39.556	0.375	632,600	9,383,672	28.20
Fire Fuel Wet Zone	63.8	0.62	39.556	0.714	0	0	0
				Total	658,400	9,766,376	29.97
						Total	29.97
(1) Reference ETo = inches of water/square foot/year							
(2) Conversion Factor = Conversion inches/square foot/year to gallons/square foot/year							
(3) Gallons/Year/SF = Reference ETo * Conversion Factor							
(4) ETAF = Evapotranspiration Adjustment Factor based on the plant factor and the irrigation efficiency factor (see Table 3)							
(5) Gallons/Year = Gallons/Year/SF * ETAF * Turf or Softscape square feet							

Tesoro Landscape Total Demand Adjusted for Water Loss

The process of determining the total demand for the Tesoro Landscape land use, after adjusting for water loss, is to adjust for the estimated water loss percentage of 4.5%. As shown in the calculations below, applying this water loss percentage results in a total estimated demand of 31.32 AFY which includes 1.35 AFY of water losses.

$$\begin{aligned} \text{Estimated Water Loss Percentage} &= 4.5\% \\ 29.97 \text{ AFY} * (1+.045) &= 31.32 \text{ AFY} \\ \text{Estimated Water Loss (AFY)} &= 31.32 \text{ AFY} - 29.97 \text{ AFY} = 1.35 \text{ AFY} \end{aligned}$$

Calculation of the Annual Tesoro Water Supply Carrying Cost

The total water demand for Tesoro is 61.31 AFY, 29.99 AFY for SFR and 31.32 AFY for Landscape. The total demand of 61.31 AFY was agreed upon by both SCV Water and Tesoro in an amendment to their 2017 Agreement. The total FY 2026 - 2027 annual cost of water supplies required to provide stand-by service to Tesoro is \$70,427.36. This cost reflects Tesoro's proportionate share of the water supply costs associated with the BVERRB joint project. As originally noted in Table 1, this cost is calculated per the following formulas:

$$\begin{aligned} 61 \text{ AFY Approximate Tesoro Demand} \div 11,000 \text{ AFY BVERRB Capacity} &= 0.55\% \\ 0.55\% * \$12,700,015 \text{ BVERRB Cost} &= \$70,427.36 \text{ SCV Water Cost for Tesoro Demand} \end{aligned}$$

Calculation of the Unit Cost of Water Supply for Different Tesoro Land Uses

The unit cost per square foot incurred by SCV Water to provide stand-by service for the SFR land use is \$0.07262. The unit cost per square foot incurred by SCV Water to provide stand-by service for the Landscape land use is \$0.03691. The unit costs are determined by the following equations:

Santa Clarita Valley Water Agency
Annual Water Stand-by Charge Engineer's Report

Total SFR Demand = 29.99 AFY (48.92%)
Total Landscape Demand = 31.32 AFY (51.08%)
Approximate Total Demand = 61.31 AFY (100.0%)

Total Water Supply Cost = \$70,427.36 (100.0%)
Cost Incurred for SFR = \$34,450.30 (48.92%)
Cost Incurred for Landscape = \$35,977.05 (51.08%)

Total SFR Square Feet = 474,402
Total Landscape Square Feet = 974,685

Cost to Provide Stand-By Service/Square Footage = Unit Cost of Service
SFR: $\$34,450.30 \div 474,402 \text{ sq. ft} = \0.07262
Landscape: $\$35,977.05 \div 974,685 = \0.03691

METHOD OF APPORTIONMENT

Benefit Analysis

Like many other water purveyors in the State, water stand-by charges provide a means to recover costs from undeveloped parcels for facilities and supply that are required to provide service. SCV Water has acquired a water supply to provide service to the undeveloped parcels when they develop, and these parcels need to pay their proportional share of the cost incurred by SCV Water. The water supply for Tesoro is provided by SCV Water through a water purchase contract with the joint project BVRRB. The BVRRB provides 11,000 AFY of firm water supply capacity, of which 61.31 AFY will be used by the Tesoro development. Tesoro is to pay for their portion of this water purchase as carrying costs until these undeveloped parcels become water customers. Once the parcels are developed, the new owners will no longer pay for the additional stand-by charge. The water supply acquired by SCV Water provides a special benefit to undeveloped parcels. BVRRB's carrying cost of water supply will be \$1,154.55/AF in FY 2026 - 2027. This amount is increased each year by the change in the Consumer Price Index (All Urban Consumers – All Items – Los Angeles-Long Beach-Anaheim, CA Area. Table 1 provides a detail of the carrying cost per acre foot of BVRRB's water supply and the total cost incurred by SCV Water to serve Tesoro demand.

As referenced in the Overview Section of this report, a stand-by charge is considered an assessment under the provisions of Article XIII D of the State Constitution. Therefore, all parcels which will have a special benefit conferred upon them and upon which the stand-by charge will be imposed must be identified (the Assessment Roll). The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the costs of the capital water improvement, the maintenance and operation expenses of such improvement, and the cost of the property-related service being provided. In addition, no stand-by charge shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Here, the stand-by charge is necessary to cover the proportionate special benefit associated with reserving a portion of the BVRRB water supply for the benefit of the assessed parcels.

Estimated Stand-By Charge for Each of the 12 Parcels:

To calculate an accurate and equitable stand-by charge, a detailed breakdown of each of the 12 major parcels was conducted to assess the annual stand-by charge for each parcel with the 12 major parcels for each land use. Tables 5 - 7 below show a summary of the total square footage and total annual stand-by charge for each of the 12 major parcels for SFR, Landscape, and combined. The total stand-by charge for SFR and Landscape combined equals the annual carrying stand-by charge cost that Tesoro incurs.

Table 5
Single Family Residential Stand-By Charge Summary

SFR				
Parcel	APN	Sq. Ft	\$ Cost/Sq. Ft.	Total Annual Stand-By Charge
1	3244-161-050	0	\$0.07262	\$0
2	3244-163-022	20,851	\$0.07262	\$1,514
3	3244-162-018	10,013	\$0.07262	\$727
4	3244-161-055	174,677	\$0.07262	\$12,685
5	3244-161-051	0	\$0.07262	\$0
6	3244-163-012	0	\$0.07262	\$0
7	3244-163-020	0	\$0.07262	\$0
8	3244-162-015	0	\$0.07262	\$0
9	3244-161-042	0	\$0.07262	\$0
10	3244-163-021	62,874	\$0.07262	\$4,566
11	3244-161-054	205,987	\$0.07262	\$14,958
12	3244-197-022	0	\$0.07262	\$0
Total		474,402		\$34,450

Table 6
Landscape Stand-By Charge Summary

Landscape				
Parcel	APN	Sq. Ft	\$ Cost/Sq. Ft	Total Annual Stand-By Charge
1	3244-161-050	0	\$0.03691	\$0
2	3244-163-022	0	\$0.03691	\$0
3	3244-162-018	0	\$0.03691	\$0
4	3244-161-055	638,726	\$0.03691	\$23,576
5	3244-161-051	0	\$0.03691	\$0
6	3244-163-012	0	\$0.03691	\$0
7	3244-163-020	0	\$0.03691	\$0
8	3244-162-015	0	\$0.03691	\$0
9	3244-161-042	0	\$0.03691	\$0
10	3244-163-021	0	\$0.03691	\$0
11	3244-161-054	335,959	\$0.03691	\$12,401
12	3244-197-022	0	\$0.03691	\$0
Total		974,685		\$35,977

**Table 7
Combined Stand-By Charge Summary**

SFR & Landscape			
Parcel	APN	Square Feet	Total Annual Stand-By Charge
1	3244-161-050	0	\$0
2	3244-163-022	20,851	\$1,514
3	3244-162-018	10,013	\$727
4	3244-161-055	813,402	\$36,261
5	3244-161-051	0	\$0
6	3244-163-012	0	\$0
7	3244-163-020	0	\$0
8	3244-162-015	0	\$0
9	3244-161-042	0	\$0
10	3244-163-021	62,874	\$4,565
11	3244-161-054	541,946	\$27,359
12	3244-197-022	0	\$0
Total		1,449,087	\$70,427

Estimated Stand-By Charge per Individual Lot

The summaries for each of the 12 major parcels in Tables 5 - 7, are shown in more detail in Table 8. For each major parcel, the minor lots within are shown, along with their sq. footage, unit cost of service (UCOS), and the annual stand-by charge for each component of the 12 major parcel. The equation shown below details how the Annual stand-by charge is derived.

$$\text{Sq. Ft} * \text{UCOS} = \text{Annual Stand-By Charge}$$

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Table 8 Detailed Annual Stand-By Charge Calculation

Major Parcel	APN No.	Lot No.	Square Footage		Unit COS		Annual Stand-By Charge	
			Landscape	SFR	Landscape	SFR	Landscape	SFR
1	3244-161-050				\$0.03691	\$0.07262		
Total	Major Parcel 1		0	0			\$0	\$0
2	3244-210-030	30		10,305	\$0.03691	\$0.07262		\$748.35
2	3244-210-031	31		10,546	\$0.03691	\$0.07262		\$765.81
Total	Major Parcel 2		0	20,851			\$0	\$1,514.16
3	3244-213-025	84		10,013	\$0.03691	\$0.07262		\$727.16
Total	Major Parcel 3		0	10,013			\$0	\$727.16
4	3244-217-001	50		6,370	\$0.03691	\$0.07262		\$462.58
4	3244-217-002	51		6,426	\$0.03691	\$0.07262		\$466.67
4	3244-217-003	52		6,425	\$0.03691	\$0.07262		\$466.61
4	3244-217-004	53		7,101	\$0.03691	\$0.07262		\$515.65
4	3244-217-005	54		6,907	\$0.03691	\$0.07262		\$501.57
4	3244-218-032	124		6,881	\$0.03691	\$0.07262		\$499.67
4	3244-218-033	125		6,454	\$0.03691	\$0.07262		\$468.66
4	3244-218-034	126		7,886	\$0.03691	\$0.07262		\$572.64
4	3244-218-035	127		6,648	\$0.03691	\$0.07262		\$482.76
4	3244-218-036	128		7,271	\$0.03691	\$0.07262		\$527.98
4	3244-218-037	129		6,659	\$0.03691	\$0.07262		\$483.57
4	3244-218-038	130		7,181	\$0.03691	\$0.07262		\$521.49
4	3244-218-039	131		6,420	\$0.03691	\$0.07262		\$572.64
4	3244-218-040	132		5,895	\$0.03691	\$0.07262		\$428.12
4	3244-218-041	133		12,715	\$0.03691	\$0.07262		\$923.34
4	3244-218-042	134		11,058	\$0.03691	\$0.07262		\$802.99
4	3244-218-043	135		11,534	\$0.03691	\$0.07262		\$837.57
4	3244-218-044	136		9,722	\$0.03691	\$0.07262		\$706.03
4	3244-218-045	137		9,017	\$0.03691	\$0.07262		\$654.83
4	3244-218-046	138		6,844	\$0.03691	\$0.07262		\$497.03
4	3244-218-047	139		5,916	\$0.03691	\$0.07262		\$429.58
4	3244-218-048	140		6,348	\$0.03691	\$0.07262		\$460.95
4	3244-218-049	141		6,999	\$0.03691	\$0.07262		\$508.25
4	3244-217-022	161	59,609		\$0.03691	\$0.07262	\$2,200.25	
4	3244-217-023	162	14,589		\$0.03691	\$0.07262	\$538.52	
4	3244-218-050	163	44,814		\$0.03691	\$0.07262	\$1,654.14	
4	3244-218-052	166	13,279		\$0.03691	\$0.07262	\$490.15	
4	3244-218-054	175	20,914		\$0.03691	\$0.07262	\$771.96	

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Major Parcel	APN No.	Lot No.	Square Footage		Unit COS		Annual Stand-By Charge	
			Landscape	SFR	Landscape	SFR	Landscape	SFR
4	3244-218-056	178	1,151		\$0.03691	\$0.07262	\$42.49	
4	3244-218-057	179	860		\$0.03691	\$0.07262	\$31.74	
4	3244-217-025	180	131,628		\$0.03691	\$0.07262	\$4,858.58	
4	3244-218-058	187	38,332		\$0.03691	\$0.07262	\$1,414.90	
4	3244-217-026	189	93,472		\$0.03691	\$0.07262	\$3,450.17	
4	3244-217-027	190	200,838		\$0.03691	\$0.07262	\$7,413.22	
4	3244-218-060	193	19,240		\$0.03691	\$0.07262	\$710.19	
Total	Major Parcel 4		638,726	174,677			\$23,576.30	\$12,684.75
5	3244-161-051				\$0.03691	\$0.07262	\$0	\$0
Total	Major Parcel 5		0	0			\$0	\$0
6	3244-163-012				\$0.03691	\$0.07262		
Total	Major Parcel 6		0	0			\$0	\$0
7	3244-163-020				\$0.03691	\$0.07262		
Total	Major Parcel 7		0	0			\$0	\$0
8	3244-162-015		0	0	\$0.03691	\$0.07262	\$0	\$0
Total	Major Parcel 8		0	0			\$0	\$0
9	3244-161-042		0	0	\$0.03691	\$0.07262	\$0	\$0
Total	Major Parcel 9		0	0			\$0	\$0
10	3244-209-014	85		14,567	\$0.03691	\$0.07262		\$1,057.86
10	3244-209-015	86		13,190	\$0.03691	\$0.07262		\$957.82
10	3244-209-016	87		12,668	\$0.03691	\$0.07262		\$919.94
10	3244-209-017	88		10,889	\$0.03691	\$0.07262		\$790.74
10	3244-209-018	89		11,560	\$0.03691	\$0.07262		\$839.46
Total	Major Parcel 10		0	62,874			\$0	\$4,565.82
11	3244-215-001	1		5,421	\$0.03691	\$0.07262		\$393.63
11	3244-215-002	2		5,820	\$0.03691	\$0.07262		\$422.64
11	3244-215-003	3		5,981	\$0.03691	\$0.07262		\$434.34
11	3244-215-004	4		7,924	\$0.03691	\$0.07262		\$575.43

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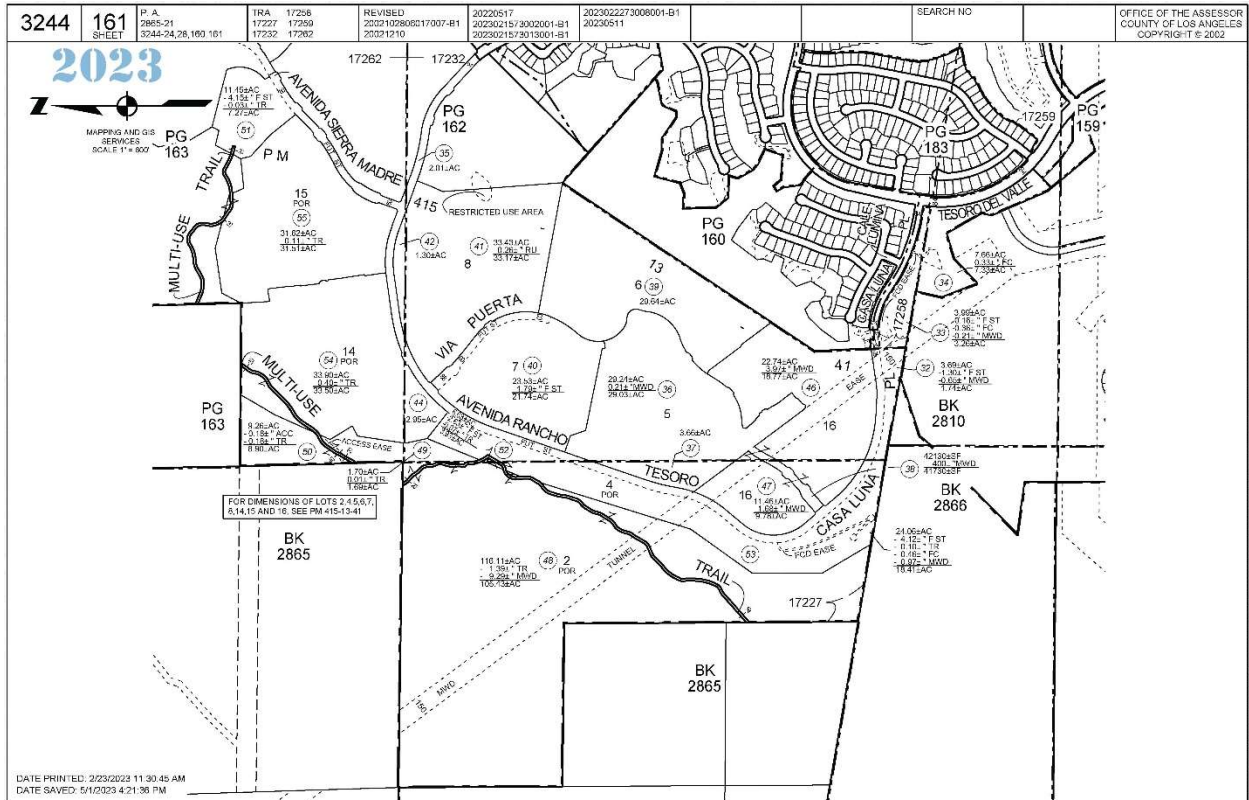
Major Parcel	APN No.	Lot No.	Square Footage		Unit COS		Annual Stand-By Charge	
			Landscape	SFR	Landscape	SFR	Landscape	SFR
					\$0.03691	\$0.07262		
11	3244-215-073	5		6,403				\$464.96
11	3244-216-005	16		6,552	\$0.03691	\$0.07262		\$475.79
11	3244-216-006	17		7,100	\$0.03691	\$0.07262		\$515.58
11	3244-216-007	18		6,552	\$0.03691	\$0.07262		\$475.82
11	3244-216-008	19		7,232	\$0.03691	\$0.07262		\$525.21
11	3244-216-009	20		7,039	\$0.03691	\$0.07262		\$511.14
11	3244-216-010	21		5,502	\$0.03691	\$0.07262		\$399.53
11	3244-216-011	22		5,581	\$0.03691	\$0.07262		\$405.27
11	3244-216-012	23		6,059	\$0.03691	\$0.07262		\$439.98
11	3244-216-013	24		6,540	\$0.03691	\$0.07262		\$474.95
11	3244-216-014	25		6,322	\$0.03691	\$0.07262		\$459.08
11	3244-216-015	26		7,429	\$0.03691	\$0.07262		\$539.45
11	3244-216-016	27		11,195	\$0.03691	\$0.07262		\$812.99
11	3244-216-017	28		10,389	\$0.03691	\$0.07262		\$754.44
11	3244-216-018	29		9,172	\$0.03691	\$0.07262		\$666.08
11	3244-216-019	30		9,784	\$0.03691	\$0.07262		\$710.51
11	3244-216-020	31		9,072	\$0.03691	\$0.07262		\$658.77
11	3244-216-021	32		9,894	\$0.03691	\$0.07262		\$718.47
11	3244-216-022	33		8,487	\$0.03691	\$0.07262		\$616.34
11	3244-216-023	34		9,666	\$0.03691	\$0.07262		\$701.89
11	3244-216-024	35		8,153	\$0.03691	\$0.07262		\$592.06
11	3244-216-033	44		7,608	\$0.03691	\$0.07262		\$552.47
11	3244-216-034	45		9,111	\$0.03691	\$0.07262		\$661.61
11	3244-216-039	160	14,482		\$0.03691	\$0.07262	\$534.55	
11	3244-215-055	165	16,938		\$0.03691	\$0.07262	\$625.19	
11	3244-215-064	177	10,655		\$0.03691	\$0.07262	\$393.29	
11	3244-216-041	181	80,621		\$0.03691	\$0.07262	\$2,975.85	
11	3244-215-065	182	27,411		\$0.03691	\$0.07262	\$1,011.80	
11	3244-215-079	185	5,323		\$0.03691	\$0.07262	\$196.48	
11	3244-215-071	192	64,168		\$0.03691	\$0.07262	\$2,368.53	
11	3244-216-043	195	116,361		\$0.03691	\$0.07262	\$4,295.07	
Total	Major Parcel 11		335,959	205,987			\$12,400.75	\$14,958.41

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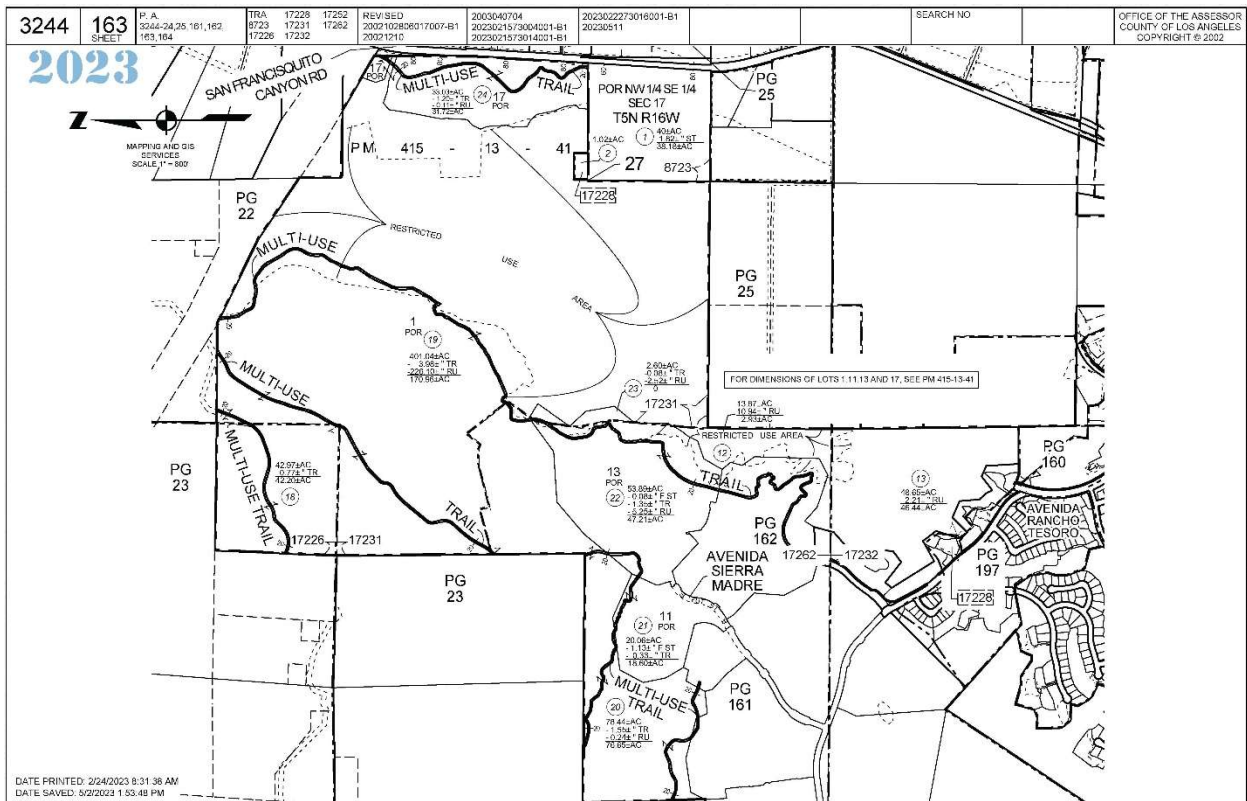
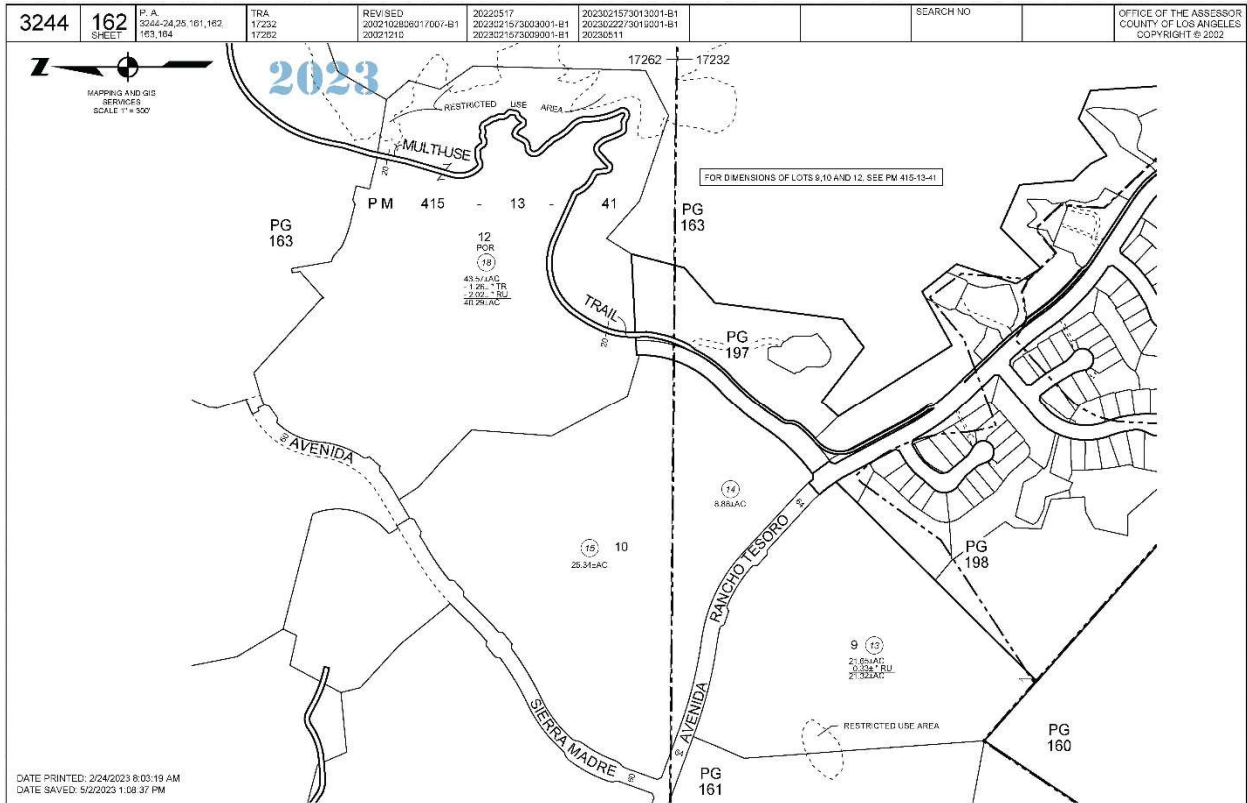
Major Parcel	APN No.	Lot No.	Square Footage		Unit COS		Annual Stand-By Charge	
			Landscape	SFR	Landscape	SFR	Landscape	SFR
12	3244-197-022				\$0.03691	\$0.07262		
Total	Major Parcel 12		0	0			\$0	\$0

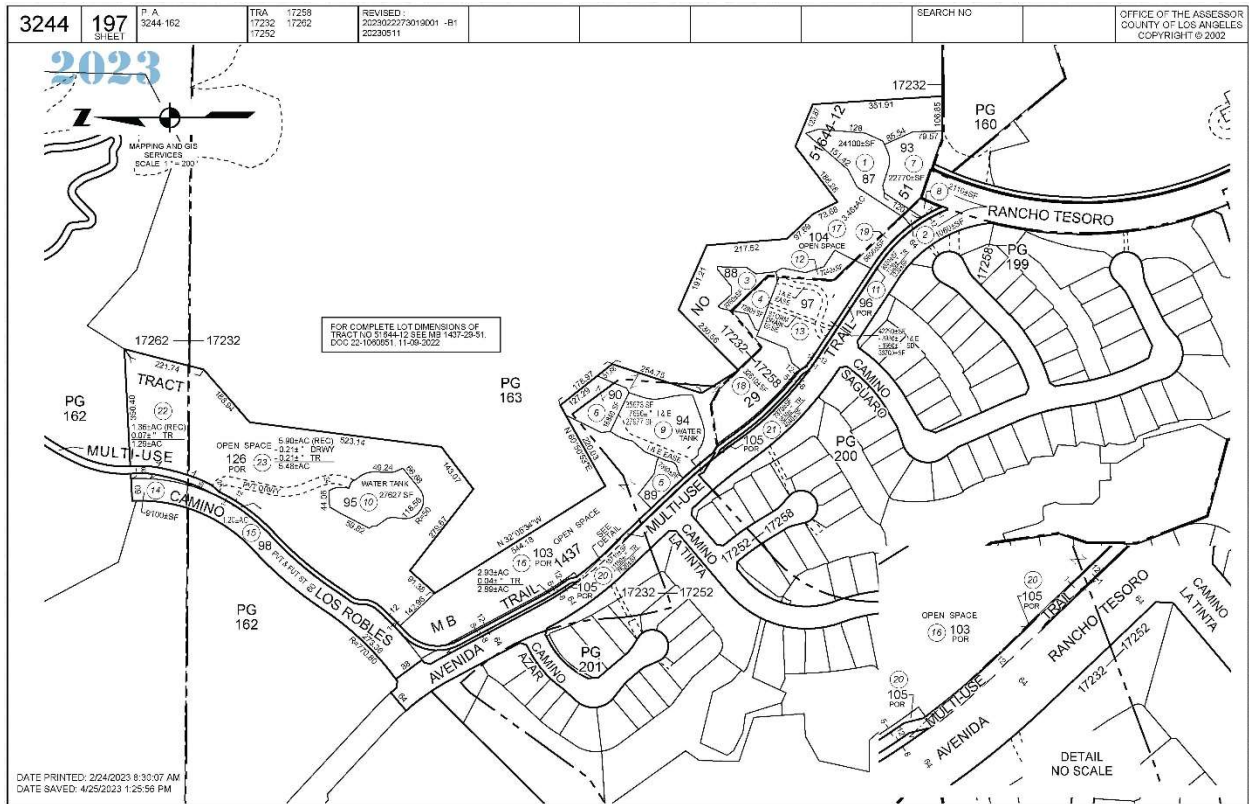
AGENCY BOUNDARY DIAGRAMS

The boundaries subject to the stand-by charge are equivalent to the Tesoro annexation boundary as described in this report and, by reference are hereby made part of this Engineer's Report. Only the undeveloped annexed portion of the Tesoro development parcels are subject to the stand-by charge.



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2026-2027 ASSESSMENT ROLL

Parcel identification, for each lot or parcel subject to the stand-by charge, shall be the parcel as shown on the Los Angeles County Assessor Parcel Maps and/or the Los Angeles County Secured Tax Roll for the year in which this report is prepared. The proposed stand-by charge for each parcel has been prepared in accordance with the original rate established as part of the original formation and the method of apportionment described in this report and has been presented to the Board Secretary.

The stand-by charge information for each parcel as outlined in this Engineer's Report and confirmed by the SCV Water Board, shall be submitted to the County Auditor/Controller, and included on the property tax roll for Fiscal Year 2026-2027. If the parcels referenced by this Engineer's Report are re-numbered, re-apportioned or changed by the County Assessor's Office after approval of the report, the new parcel(s) with the appropriate stand-by charge amount will be submitted to the County Auditor/Controller.