

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
SANTA CLARITA VALLEY SANITATION DISTRICT
HELD AT THE SANTA CLARITA CITY HALL

April 15, 2024
11:00 o'clock, A.M.

The Board of Directors of Santa Clarita Valley Sanitation District of Los Angeles County met in regular session.

There were present: Cameron Smyth, Director from Santa Clarita
Laurene Weste, Chairperson, Director from Santa Clarita

Absent: Kathryn Barger, Alternate Director from Los Angeles County

Also present: Kimberly S. Christensen, Secretary to the Board
Wes Beverlin, District Counsel

RE: PUBLIC COMMENT The Chairperson announced this was the time for any questions or comments by members of the public. There were no public comments or questions to address the Board on any matters.

RE: MINUTES Upon motion of Director Smyth, duly seconded and unanimously carried, the minutes of the regular meeting held March 18, 2024, were approved.

RE: DISTRICT EXPENSES The following expenses for the month of January 2024, seconded and unanimously carried, were approved:

Local District Expenses:	
Operations & Maintenance	\$2,610,745
Capital	2,934,219
Allocated Expenses:	
Joint Administration	230,831
Technical Support	313,342
Total Expenses	<u>\$6,089,137</u>

RE: WASTEWATER MANAGEMENT - SAUGUS WATER RECLAMATION PLANT PRIMARY STRUCTURES CONCRETE REPAIRS - OLSSON CONSTRUCTION, INC. - CONTRACT NO. 5470 ACCEPTANCE OF THE WORK
Olsson Construction, Inc., has completed the work in connection with Contract No. 5470 for construction of the *Saugus Water Reclamation Plant Primary Structures Concrete Repairs* (Project) within the time allowed by the contract, and in accordance with its terms. This Project consisted of repairing corroded concrete surfaces and replacing deteriorated protective coating and lining systems in existing tanks and channels at the plant. Sixteen change orders totaling \$280,563.79 were approved for this Project. A recommendation was made to accept this work.

Upon motion of Director Smyth, duly seconded and unanimously carried, the work in connection with Contract No. 5470, entered into by Olsson Construction, Inc., on November 4, 2022, for construction of the *Saugus Water Reclamation Plant Primary Structures Concrete Repairs*, was approved and accepted by this Board of Directors; the Chief Engineer and General Manager was directed to execute and record a Notice of Completion with respect to this work of improvement; and final payment of \$7,539,073.17 was authorized in accordance with the terms of the contract.

RE: TECHNICAL SERVICES TECHNICAL STUDIES IN SANTA CLARA RIVER FOR TEMPERATURE COMPLIANCE AUTHORIZE ISSUANCE OF PURCHASE ORDER TO UNIVERSITY OF CALIFORNIA, DAVIS AND ENVIRONMENTAL SCIENCE ASSOCIATES
The Los Angeles Regional Water Quality Control Board (Regional Board) lowered temperature requirements in surface water discharge permits issued to the Saugus and Valencia Water Reclamation Plants (WRPs). Because the WRPs cannot immediately comply with the new requirements, the Regional Board established an eight-year schedule to bring each plant into compliance. The

schedule allows the District to conduct temperature studies in the Santa Clara River (SCR) and, if appropriate, propose new site-specific temperature requirements that are protective of the river and which the plants can comply with. Through a competitive request for proposals process, Environmental Science Associates (ESA) and University of California, Davis (UCD) were retained to provide consulting and expert services to assess the effects of river temperatures on aquatic life. Prior purchase orders were issued to ESA for various monitoring and biological studies for this work. Funds in the amount of approximately \$310,000 are now necessary for additional work including expanded river temperature monitoring, additional technical studies, and river temperature and habitat modeling. Laboratory fish studies at UCD are also recommended to fill key data gaps on the thermal tolerance of the endangered unarmored threespine stickleback (UTS), which have been previously identified in the SCR. A surrogate species will be collected from the local SCR watershed and used in the laboratory studies in lieu of using UTS, and data collected from these studies may be used to support new temperature requirements. UCD has provided a scope of work and cost proposal for the laboratory fish studies, to be conducted in two phases: Phase 1 thermal tests on adult fish at a cost of approximately \$260,200 and Phase 2 thermal tests on embryos and juvenile fish at a cost of approximately \$250,800. Approval for Phase 2 studies will be requested if the Phase 1 studies are successful and provide relevant information to better understand the thermal tolerance of UTS. Staff has determined that the activities described herein are exempt or otherwise not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations (“CEQA Guidelines”) Sections 15306, 15307 and 15308. This item is consistent with the Districts’ Guiding Principle of commitment to operational excellence (protection of public health and the environment, regulatory compliance, and cost effectiveness). A recommendation was made to authorize the Chief Engineer and General Manager, in his capacity as Purchasing Agent, to issue purchase orders to UCD in the amount of approximately \$260,200 for Phase 1 laboratory fish studies and to ESA in the amount of approximately \$310,000 for technical studies and monitoring activities.

The Chief Engineer and General Manager gave a brief presentation regarding the Santa Clara River Temperature Study. Today, the Board is considering approval of purchase orders for laboratory fish studies, temperature modeling, and monitoring for the Santa Clara River Temperature Study project. These studies are critical to understand the effect of our discharge on temperature in the receiving waters and to determine how the District will comply with new temperature requirements in the Saugus and Valencia Water Reclamation Plants (WRPs) surface water discharge permits by July 2030.

As previously mentioned, the Regional Board lowered the maximum effluent temperature limits from 86° to 80° Fahrenheit (F). The WRPs cannot comply with the new requirements. The Regional Board approved an eight-year compliance schedule to allow time for the District to conduct technical studies as well as activities to achieve compliance including planning, design and construction of facilities, if necessary. Currently, there are six years until the compliance deadline. If appropriate based on the on-going technical studies, staff will propose new criteria or an alternate permit compliance approach; for example, planting trees along the river to provide shading and reduce river temperature. He reviewed a graph showing the average effluent temperatures between 2013 and 2023 for both WRPs.

The Board previously approved a purchase order to retain a consultant, the ESA/UCD team, and, most recently, a purchase order for initial temperature monitoring and biological studies. Additional technical work is needed, including modeling and monitoring, to understand diurnal and seasonal temperature changes; impacts of WRP effluent on river temperatures; and impacts of climate change and increasing air temperatures. A portion of the study would collect samples of a surrogate of the endangered UTS fish, the partially-UTS, to see if these fish can tolerate the higher temperatures in a laboratory setting. UCD will be conducting studies to fill in data gaps regarding thermal tolerance. Phase 1 of the study will determine if adult fish can tolerate and propagate in higher temperatures. If the first phase successfully produces relevant knowledge on the adult fish, Phase 2 of the study will determine if embryos and juvenile fish can tolerate higher temperatures.

District staff is working closely with Regional Board staff on the studies, and the efforts are being regularly discussed with a Stakeholder Advisory Group, which includes non-governmental organizations and city representatives, as well as a Technical Advisory Committee, comprised of U.S. Fish and Wildlife, California Department of Fish and Wildlife, and the Environmental Protection Agency. Staff will update the Board as progress is made on these efforts.

In response to the Chairperson, the Chief Engineer and General Manager advised that the study covers both the Saugus and Valencia WRPs, although the focus of the study is the Santa Clara River downstream of the Valencia WRP.

The Chairperson stated that temperatures reach over 115°F in the summer, and in the winter the temperature reaches below 30°F; therefore, the Regional Board’s temperature shift does not make sense, and it

is unfortunate to spend a large sum of money on the study. She stated that the temperature of the effluent/river is not the cause of a drop in the number of UTS, but rather, the acts of humans is the cause.

Upon motion of Director Smyth, duly seconded and unanimously carried, the Purchasing Agent was authorized to issue purchase orders to University of California, Davis for Phase I laboratory fish studies, at a cost of approximately \$260,200; and to Environmental Science Associates for technical studies and monitoring activities, at a cost of approximately \$310,000.

RE: SERVICE CHARGE REPORT - RECEIVE AND ORDER FILED - SET PUBLIC HEARING FOR MAY 20, 2024, AND GIVE REQUIRED NOTICE - AN ORDINANCE PRESCRIBING THE SERVICE CHARGE RATE AND MEAN LOADINGS PER UNIT OF USAGE FOR SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY AND PROVIDING FOR THE COLLECTION OF SUCH CHARGES ON THE TAX ROLL - AN ORDINANCE PRESCRIBING INDUSTRIAL WASTEWATER SURCHARGE RATES FOR SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY - AN ORDINANCE PRESCRIBING THE CONNECTION FEE RATE AND MEAN LOADINGS PER UNIT OF USAGE FOR SANTA CLARITA VALLEY SANITATION DISTRICT OF LOS ANGELES COUNTY INTRODUCE

A report titled *Santa Clarita Valley Sanitation District Service Charge Report for Fiscal Year 2024-25*, prepared in accordance with Section 5473 of the Health and Safety Code of the State of California and which establishes the formula for the calculation of a sewage unit that represents the average daily quantity of sewage flow and strength from a single-family home (SFH) was presented.

A letter describing the required Board actions together with a copy of the Service Charge Report and the proposed service charge rate, industrial wastewater rate and connection fee rate ordinances, accompanied the agenda. The actions will implement the new rates and will allow the wastewater service charge to continue to be collected on the property tax roll. The rates shown in the various documents and the Proposition 218 notice represent the maximum of the two options previously discussed at the March 18, 2024, Board meeting. At a future meeting, before adoption of the rate ordinances,

the Board may elect to adopt lower rates that align with one of the two previously discussed options. Staff recommends a Combined Public Hearing be held at the Board meeting scheduled for May 20, 2024. This item is consistent with the Districts' Guiding Principles of commitment to fiscal responsibility and prudent financial stewardship; and to plan for both short-term and long-term needs to minimize the need for significant rate increases.

The Chief Engineer and General Manager advised that the Board would be establishing the date of the public hearing today. Prior to handing over the meeting to Mr. Matt Eaton, Deputy Assistant Chief Engineer and Department Head of Financial Management, he showed a brief video that will be shared at all public meetings.

He gave a brief presentation regarding rates, which were discussed at previous meetings. In January, rate increases were recommended due to new operational costs from the state-mandated salt limit. The Board provided direction to re-examine assumptions and alternatives in attempt to reduce the increase. In February, several rate options were presented with smaller increases. The Board provided direction that reserves should be maintained near target levels, resulting in two rate alternatives that allow the District to meet state-mandated costs without compromising reserves. In March, details on the two rate options were presented. The Board directed that the Proposition 218 notice and public information meetings present both options for public input.

Today, the Board is considering routine actions to start the rate adoption process, review the two rate options, and hear an overview of public outreach.

The key drivers for the rate increases were shown on a slide. The state-mandated Advanced Water Treatment Facility (AWTF) is now operating. This is a new treatment process with significantly increased costs. The District has had no rate increase since 2019. There has been a 47 percent increase in Operations and Maintenance (O&M) expenses since Fiscal Year (FY) 2018-19. Necessary capital investments are needed over the next five years, including power distribution modifications at both water reclamation plants (WRPs), tertiary filtration improvements, retaining wall, and sewer repairs (the majority financed with bonds and loans).

Shown on a slide were the state-mandated O&M costs without the AWTF in FY 2023-24 and with the AWTF in FY 2024-25 through FY 2028-29. By FY 2028-29, state-mandated O&M costs will be more than 25 percent of the District's O&M costs.

Upon motion of Director Smyth, duly seconded and unanimously carried, the *Santa Clarita Valley Sanitation District Service Charge Report for Fiscal Year 2024-25* was ordered filed with the Clerk of the District. Furthermore, *An Ordinance Prescribing the Service Charge Rate and Mean Loadings per Unit of Usage for Santa Clarita Valley Sanitation District of Los Angeles County and Providing for the Collection of Such Charges on the Tax Roll*, *An Ordinance Prescribing Industrial Wastewater Surcharge Rates for Santa Clarita Valley Sanitation District of Los Angeles County*, and *An Ordinance Prescribing the Connection Fee Rate and Mean Loadings per Unit of Usage for Santa Clarita Valley Sanitation District of Los Angeles County* were introduced and, after a reading of the titles thereof, further reading of said Ordinances were waived.

RE: UPDATE ON CONSIDERATION OF
NEWHALL LAND AND FARMING COMPANY
PROPOSAL REGARDING PROVISION OF
REGIONAL SEWERAGE SERVICE WITH
NEWHALL RANCH SANITATION DISTRICT
CONFERENCE WITH REAL PROPERTY
NEGOTIATORS - DISCUSS

At the February 2024 Board meeting, the Chief Engineer and General Manager discussed Newhall Land and Farming Company's (NLFC) request for minor revisions to the Joint Sewerage Services Agreement for cross-boundary flow between the Santa Clarita Valley Sanitation District (SCVSD) and Newhall Ranch Sanitation District (NRSD) affecting the construction schedule of the future Newhall Ranch Water Reclama-

tion Plant (WRP). In exchange for SCVSD's support of these minor changes, NLFC has offered to provide SCVSD an option to purchase land near the Valencia WRP and funding for an updated planning study for SCVSD treatment facilities. The Chief Engineer and General Manager will provide updates on staff negotiations with NLFC based on direction received from the Board at the March 2024 meeting. This item is consistent with the Districts' Guiding Principle to provide reliable and responsible services with safety first. *The Board will meet in closed session pursuant to the provisions of California Government Code Section 54956.8, Conference with Real Property Negotiators, to discuss potential purchase price and terms of payment for the parcels of land shown on the attached map; District Negotiators: Robert C. Ferrante and Raymond L. Tremblay.*

District Counsel advised that it would be in the interest of the District to meet in closed session pursuant to Section 54956.8 of the California Government Code *Conference with Real Property Negotiators*, to discuss potential purchase price and terms of payment for the parcels of land shown on the map attached to the agenda; District Negotiators: Robert C. Ferrante and Raymond L. Tremblay.

The Chairperson took the Board of Santa Clarita Valley Sanitation District of Los Angeles County into closed session at 11:31 a.m. pursuant to Section 54956.8 of the California Government Code *Conference with Real Property Negotiators*, to discuss potential purchase price and terms of payment for the parcels of land shown on the attached map.

The Chairperson reconvened the meeting in regular session at 11:49 a.m. District Counsel advised that no action was taken of a nature that requires disclosure pursuant to Government Code Section 54957.1.

Upon motion of Director Smyth, duly seconded and unanimously carried, the meeting adjourned.



LAURENE WESTE
Chairperson

ATTEST:



KIMBERLY S. CHRISTENSEN
Secretary

/ee