

Castaic Area Town Council Meeting Minutes July 20, 2016:

1. Call to order 6:48 pm. Roll call: All present except Jessica, Jim and Dawn.
 - a. Pledge of Allegiance
 - b. Invocation
 - c. Approval of Agenda 7/0/0 Hearing session:

4 request to speak. 16 guests.

Cam Noltenmeyer: Resident of Valencia, SCOPE representative.
She's a customer of Valencia County Water District (VCWD)
Concerned about Valencia Water Company (VWC) purchase by Castaic Lake Water Agency (CLWA).
VWC pays CLWA \$200K quarterly dividend.
CLWA paid \$73M for VWC.
Lack of transparency.
CLWA raised rates after VWC purchase
She claims VWC is a private company and at same time a public company.
2. Special Reports:
 - a. Rosalind Wayman: \$28.7B county budget approved.

New items on the November ballot – items approved by the Supervisors.
Measure M – sales tax increase for High Desert Corridor – John stated that Measure R(2) panel turned down our request for car pool lane extension to 1 mile past Lake Hughes Rd. Rosalind said they did approve it to Lake Hughes. She'll verify this.
10% marijuana sales tax with proceeds to go toward fighting homelessness
Property tax increase of 1.5 cents/sq ft of building size to pay for parks funding.

 - i. Skate park – money is there and dept of Public Works is working on the plan
3. Committee Reports and Presentations:
 - a. Public safety
 - i. LA Fire Dept – Asst Chief Greg Hisel
Fire station 143 Nov 30 Grand Opening Ceremony 11:00 am – no paramedics on site at station
Sage Fire 11,000 acres – appreciate residents following evacuation request and thank you to community for bringing food and water to the firefighters
 - ii. LA Co Sheriff – LT Todd Weber and LT Jim Duran
Thanks to community for support and bringing sweets to the station (re Dallas)
Q: Fruit smoothie vendors in town – are they legal?
A: Yes they're mostly legal. Rosalind will have Public Safety look into.
Board member made a statement about Region 3 – Deputy Rooney did a great job with illegal dirt bike riders.
Sheriff response: Deputy Rooney has done a great job with YAL and with kids!
 - iii. LA Co Sheriff Parks – not here
 - iv. CHP – Officer Byrod

Gave presentation on June traffic numbers. High collisions in area, 39. Hit and runs, 4. Felony hit and run, 1. DUI, 8 with 3 injuries.

7/23 Start Smart Teen driving class. Show up at 11:00 am at the station on the Old Road. 8/8 Audi dealer in Valencia holding car seat installation program from 9::00 am to 2:00 pm.

- b. Parks and Recreation
 - i. Castaic Library – Vickie Raymundi
June report. 7/29 Friends of the Library Book Sale 3-5PM + 7/30 from 12:00 to 5PM. 8/4 All libraries closed – staff training day. 8/8 Regular programming begins.
 - ii. Castaic Lake Report – not here
 - iii. Castaic Regional Sports Complex – not here
- c. Castaic High School Ad-Hoc Committee
 - i. Report – Flo Lawrence
Money still there for the school. Lease/Leaseback agreed by board. Two openings possible. 2018 for 9th only with school not complete or 2019 for 9th and 10th with school complete.
South access back in discussion.
All four Hart Dist board members in agreement.
- d. Land Use Committee Standards
 - i. New Projects Report – nothing new proposed
- e. Beautification Committee – Dawn Faulconer (Kelly not in committee)
 - i. Update on road pavements: Dawn not here
 - ii. Online survey – survey to be added to CATC website
Board member comment Business near Hasley and Del Valle building painted and weed abatement. New fences installed.
- 4. Discussion/Action items
 - a. Future of Santa Clarita Water Governance – Maria Gutzeit and Bill Cooper (see separate page)
- 5. Correspondence
 - a. Notice of Projects
 - b. Discussion of items on Notice
 - i. 7/30/16 Toxic waste drop off at Via Princessa Metrolink Station 9:00 am to 3:00 pm
 - ii. Permit for 120 bed Senior Assisted Living center expansion – 8/3/16 at 9:00 Hall of Records on Temple.
 - iii. Dept Public Works Traffic Concern Live Oak School – letter
- 6. Consent Calendar
 - a. Minutes of CATC Regular Meeting 6/15 - tabled
 - b. Minutes of CATC Planning Meeting 7/6 - tabled
 - c. Treasurer's report: June - tabled
- 7. .

8. Items for possible discussion – none

Meeting adjourned 9:39 pm

Item 4A CATC July 20, 2016 meeting

Presentation from Maria Gutzeit (NCWD) and Bill Cooper (CLWA).

- Plan to make into one agency. Also incorporate SCWD, which is part of CLWA.
- Working on governance issues
- Economies of scale will reduce costs – more efficient
- More responsive and better value to customers
- Plan has nothing to do with other developments such as Newhall Land and Farming

Comments from audience – request to speak

1. Cam Noltemeyer – Valencia resident, affiliation with SCOPE in opposition:
 - a. Complete takeover of wholesale and retail water and reclaimed water.
 - b. Lawsuit against CLWA goes away = no money for NCWD.
 - c. Skeptical about how fast last purchase of Valencia Water Co. Also happened over Christmas holiday.
 - d. Doesn't trust the merger. Big business taking over.
2. Lynne Winner – Castaic resident, NCWD rate payer in opposition:
 - a. Concerned the new company will be too large and individuals won't be heard
 - b. Forensic Audit of CLWA \$300M debt with only \$100M annual budget. NCWD has only \$6M debt
 - c. Bill responded: Each entity will retain its own debt with the rate determined by debt and assets. New developers will pay fees for new service, so no additional cost to existing residents. The plan is for 411K residents in the valley and when it gets to that level, the \$300M debt will be paid off.
 - d. She wants rate payers to have a voice.
 - e. Response: The two boards will decide if they want the merger, but it won't be final until it passes state legislature. NCWD board wants to hear from customers to work out solutions vs fighting.
 - f. What about the current board?
 - g. All board directors from both companies will go to the new board. New elections will take place in staggered two year terms. Each region will have representation (geographic regions)
3. Susie Evans – Val Verde resident, No affiliation. Dist 36 water customer, no position on matter.
 - a. Where are the water treatment plants located?
 - b. Bill responded: Lake Hughes Road and Central Park in Saugus.
 - c. Is the City of Santa Clarita is taking money from me?
 - d. Bill responded: Dist 36 is out of the question. Maybe later. Valencia Water Co. is out of the plan for now also.
4. Jeremiah Dockray – 91384 resident, affiliated with SCOPE, but speaking as a private citizen in opposition:
 - a. He wants a forensic audit of CLWA.

- b. He wants the Newhall customers to be able to vote on the merger.
- c. He made a statement that there is no transparency. He's been to many water district meeting and he's not happy with what he sees.

Comments from the board:

1. Has a cost/benefit analysis been done? The responses from both water companies are one sided and there must be another side to this.
2. Would like to see actual numbers on the effect of the merger.
3. Can we see details of the savings from the economies of scale.
4. Bill's response: Outside consultants have been brought in to study the merger.
5. Economies of scale bring savings. Where will the saving go? Will they be passed to the customers?
6. Bill's response: It's too early to tell. The goal may be to keep the rates the same – no increases, even though labor and power costs increase every year.
7. What is the cost difference for water on the wholesale end (CLWA) between 2015 and 2016?
8. Bill's response: Since there's been lower usage, the cost per unit has increased (the fixed costs remain the same) So the effect has been an increase in the wholesale cost per unit.
9. Whose idea was the merger?
10. Both Maria and Bill said they don't know.
11. CLWA already has Valencia Water and SCWD. Now they want to get NCWD?
12. Bill: Yes.
13. What about the rumor about a closed door discussion. Based on the timeline, there must've been discussions before bringing it to the public.
14. Answer: It started with closed session meetings for the litigation settlement and then it turned into discussions about a merger.
15. Can we get a copy of the lawsuit?
16. A: Yes, it's public record. They'll send a copy to Sandia.
17. Can we have a referendum vote? How about on the November ballot?
18. A: The representatives are changing in January, so we can't do it until after it's done.
19. The flier you gave us looks great and the Q and A part has all the right answers. It reminds me of the San flier (Sanitation Dept). What is it really?
20. A: The goal is to be the water supply, reclaimed water and sanitation dept all in one. We want to be all things water.
21. I know Maria and she brings tremendous credibility to the table. Not that the others aren't credible, but I know her and her track record. I'd like to recommend a contract with the community. Terms to the consumer should be outlined. Transparency, rate increases, supply, etc should all be given in as much detail as possible. It'll help get rid of fear and bring trust.
22. The state costs (what the CLWS pays) will be the same, so where are the savings?
23. A: Internal costs will go down. Fewer facilities – only need one building. Fewer employees – can let the numbers dwindle via attrition. Overhead costs will be lower. Also, one large company will have a better chance working with the state vs individual small companies.

24. Being that this is a great thing, why didn't this happen a long time ago?
25. A: Ego's got in the way. The attitude of "we do it better than them" creates competition, not working as a team. Things have changed with new management and the mediator forced their hand.
26. You should see savings with less pumping, cut in hours of staff, etc.
27. I'm concerned about large companies not looking out for the small guy.
28. I think the contract with the community is a great idea and I'd like to see it implemented.
29. I'm concerned about rate payers costs.
30. Steve Cole (NCWD): This entity at its largest will be 1/10 the size of the DWP. The elected board will have regional/divisional representation. In the past, the cut from 35 to 30 employees happened at the economic downturn.
31. Bill's response: There will be no wholesaler. It'll be one entity which will be the only cost of doing business.
32. I'll fight tooth and nail and so will everyone in my region if you try to come after Dist 36. We don't want our costs to rise with a merger.
33. Every little detail should be made public. We need transparency.
34. I am not happy hearing about the Valencia Water Co cost run up after the purchase.
35. Bill's response: When the CLWA purchased VWC, VWC had already submitted a rate increase, which is allowed by the CPUC every five years. When the buyout was complete, the rate increase was approved and the residents did receive a rate increase. VWC is a company CLWA owns the stock of. VWC has the lowest cost to the public in the entire valley.
36. I would like to see a survey put in the bill with honest information – what the public needs.
37. Bill's response: I'd like to ask people to see this with an open mind. Ask if it's good for the community. Is it good for water management.
38. Maria and Steve gave their phone numbers: Steve (661) 259-3610. Maria (661) 670-0332.
39. Maria: Be careful when you hear things you don't like the sound of. If you want the facts, call Steve vs guessing.

End of 4A session.