

**AVSWCA**

Antelope Valley State Water Contractors Association

www.avswca.org**COMMISSIONERS***ROBERT PARRIS, Chair**KATHY MAC LAREN-GOMEZ, Vice Chair**LEO THIBAUT, Treasurer-Auditor**GLORIA DIZMANG, Secretary**KEITH DYAS, Commissioner**BARBARA HOGAN, Commissioner***OFFICERS***PETER THOMPSON II, General Manager**TOM BARNES, Resources Manager**DENNIS HOFFMEYER, Controller**DANIELLE HENRY, Management Analyst*

May 26, 2021

***Agenda for the Regular Meeting of the Commissioners
of the Antelope Valley State Water Contractors Association
to be held via video conference: <https://bit.ly/3qPDL01> or
teleconference: (669) 900-6833 Meeting ID: 839 3795 7835#***

FOR THE PUBLIC: VIA TELECONFERENCE ONLY

Dial-In Number: (669) 900-6833 Meeting ID: 839 3795 7835#

Thursday, June 3, 2021

6:00 p.m.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Association meeting please contact Danielle Henry at 661-947-4111 x1059 at least 48 hours prior to an Association meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the Palmdale Water District's office located at 2029 E. Ave. Q, Palmdale. Please call Danielle Henry at 661-947-4111 x1059 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the Association to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance.
- 2) Roll call.
- 3) Adoption of agenda.
- 4) Public comments for items not on the agenda.
- 5) Consideration and possible action on minutes of regular meeting held February 11, 2021.
- 6) Payment of bills.

- 7) Presentation on the Big Rock Creek Joint Ground Water Recharge Project alternative analysis. (Mr. Paul Chau of Kennedy/Jenks)
- 8) Consideration and possible action on Budget for Fiscal Year 2021/2022. (General Manager Thompson II/Controller Hoffmeyer)
- 9) Report of General Manager.
 - a) Status updates:
 - 1) Antelope Valley Watermaster meetings.
 - 2) Antelope Valley and Fremont Basin IRWMP Stakeholder meetings.
 - 3) Mutual Response Agreement for Antelope Valley Agencies.
 - 4) Antelope Valley Home Show and Smart Water Expo.
- 10) Report of Controller.
 - a) Update on Revenue, Expenses and Change in Net Position.
- 11) Reports of Commissioners.
- 12) Report of Attorney.
- 13) Commission members' requests for future agenda items.
- 14) Consideration and possible action on scheduling the next Association meeting August 5, 2021.
- 15) Adjournment.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION COMMISSION MEMORANDUM

DATE: May 26, 2021 June 3, 2021
TO: AVSWCA Commissioners Commission Meeting
FROM: Dennis Hoffmeyer, Controller
VIA: Peter Thompson II, General Manager
RE: ***AGENDA ITEM NO. 8 - CONSIDERATION AND POSSIBLE ACTION ON
BUDGET FOR FISCAL YEAR 2021/2022***

Recommendation:

Staff recommends that the Commissioners of the AVSWCA (Association) approve the attached proposed budget for fiscal year 2021/2022.

Background:

The proposed budget has been broken into four categories: General Operating Funds, Restricted Funds (USGS Groundwater Monitoring Program), Restricted Funds (Antelope Valley Integrated Regional Water Management Plan), and Restricted Funds (Big Rock Creek Joint Groundwater Recharge Program).

The Expenditure side for General Operating Funds categories include:

- Insurance: Liability insurance for the Association obtained through ACWA/JPIA
- Memberships: Membership in ACWA
- Miscellaneous: Includes all miscellaneous expenses not covered in other Association accounts (business cards, meals, etc.)
- Outreach: Includes the website, possible purchase of a tabletop display, promotional items, and event fees
- Contract Services: (Administration): Services provided by AVEK (Tom Barnes – Resources Manager) and PWD (Peter Thompson II – General Manager, Dennis Hoffmeyer – Controller, Dawn Deans – Executive Secretary, Danielle Henry – Management Analyst)

General Operating Funds categories (continued):

- Contract Services: (General): Covers A.V. Fair Conservation Garden annual maintenance fee and Home & Garden Show/SMART Water Expo and related expenses.
- Contract Services: (Audit): Covers the outside review of financials for prior year close.

Per the Bylaws of the Association, the first \$30,000.00 of member agency contributions is split evenly to cover General Operating Costs. Therefore, it is recommended that each of the three member agencies contribute \$10,000.00 in Fiscal Year 2021/2022 to the Association's General Operating Fund to cover the proposed 2021/2022 General Operating Costs of \$28,600.00. The remainder of collected revenue will go into reserve.

The Expenditure side for Restricted Funds will be discussed at the meeting.

Supporting Documents:

- Proposed FY 2021/2022 General Program Fund Budget

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Proposed Budget - FY 2021/2022

General Program Funds

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ACTUAL	FY 2019/20 ACTUAL	FY 2020/21 PROPOSED BUDGET	FY 2020/21 PROJECTED YTD	FY 2021/22 PROPOSED BUDGET
Revenues:								
Member Contributions - General	\$ 24,000.00	\$ 64,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Member Contributions - Smart Water Expo/H&G Show				12,413.00	18,000.00	13,000.00	13,000.00	-
Member Contributions - AV Fair Conservation Garden				25,000.00	25,000.00	25,000.00	25,000.00	-
Interest Earnings	50.00	11.66	27.04	271.02	305.44	250.00	175.00	200.00
Revenue - Refund/Misc		5.00	-	-	-		-	
Total Revenue	<u>\$ 24,050.00</u>	<u>\$ 64,016.66</u>	<u>\$ 30,027.04</u>	<u>\$ 67,684.02</u>	<u>\$ 73,305.44</u>	<u>\$ 68,250.00</u>	<u>\$ 68,175.00</u>	<u>\$ 30,200.00</u>
Expenditures:								
Insurance (ACWA/JPIA)	\$ 2,182.92	\$ 2,183.10	\$ 2,182.98	\$ 2,183.00	\$ 2,183.00	\$ 2,350.00	\$ 2,183.01	\$ 2,350.00
Memberships (ACWA)	2,385.22	2,510.00	2,635.00	3,165.00	3,680.00	3,750.00	3,680.00	3,750.00
Outreach (Web Site, Community Activities)	4,231.63	30,257.79	5,187.40	15,544.30	444.00	5,000.00	444.00	5,000.00
Miscellaneous (Bank Fees, Refreshments, Etc.)	75.00	-	-	-	-	500.00	-	500.00
Contract Services - Administration	13,712.77	17,046.49	13,413.28	18,518.43	11,209.30	12,000.00	11,209.30	12,000.00
Contract Services - General Projects	-	-	-	-	-			
(A.V. Fair - Conservation Garden)					25,000.00	25,000.00	25,000.00	-
(Home & Garden Show/WaterSmart Expo)					10,000.00	13,000.00	10,000.00	-
Contract Services - Financial Audit	2,000.00	2,000.00	2,000.00	2,500.00	2,500.00	3,500.00	2,500.00	5,000.00
Total Expenditures	<u>\$ 24,587.54</u>	<u>\$ 53,997.38</u>	<u>\$ 25,418.66</u>	<u>\$ 41,910.73</u>	<u>\$ 55,016.30</u>	<u>\$ 65,100.00</u>	<u>\$ 55,016.31</u>	<u>\$ 28,600.00</u>
Net Income (Loss)	<u>\$ (537.54)</u>	<u>\$ 10,019.28</u>	<u>\$ 4,608.38</u>	<u>\$ 25,773.29</u>	<u>\$ 18,289.14</u>	<u>\$ 3,150.00</u>	<u>\$ 13,158.69</u>	<u>\$ 1,600.00</u>
						Member Contribution (General):		10,000.00
Additional Expenditures						AVEK Contribution =		\$ -
						PWD Contribution =		-
						LCID Contribution =		-
						Secondary Member Contribution (Table A basis):		\$ -

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION COMMISSION MEMORANDUM

DATE: May 25, 2021 **June 3, 2021**
TO: AVSWCA Commissioners **Commission Meeting**
FROM: Peter Thompson II, General Manager
RE: ***AGENDA ITEM NO. 9 – REPORT OF GENERAL MANAGER***

Report Items:

- **Antelope Valley Water Master Meetings**

- Emphasis has been given on setting boundaries for New Production requests to prevent gaming of the system and illegal water sales.
- An ad hoc committee has been formed to address the issues of water theft specifically as it relates to the recent boom in illegal marijuana grow operations in the Antelope Valley.
- The Association anticipates receiving a replacement water request in July from the Watermaster for water production in 2020.
- Admin staff is working with the Water Master Engineer to develop a draft budget for the upcoming fiscal year.

- **Antelope Valley and Fremont Basin IRWMP Stakeholder Meetings**

- Woodard and Curran have the final draft Grant Agreement for AVIRWM and submitted to DWR. The finalized Grant Agreement is expected to be released by DWR any day.
- The draft Grant Agreement was recently edited due to the Palmdale Recycled Water Authority pulling their project (Phase II Distribution System) from the grant submission. DWR allowed for the re-distribution of the funds from the pulled project to the remaining four physical projects. An AVIRWM Stakeholder meeting was held on April 22nd, where the stakeholders decided to redistribute the funds among the projects.
- The Amended and Restated MOU/Funding Request has been finalized and sent out to the participating agencies for approval. The Association will be invoicing the agencies as the individual approvals are made.

- Staff has participated in a letter writing campaign to request that funds for IRWM Programs be included in the two competing Climate Resiliency Bonds AB 1500 and SB 45.
- Project summaries of the AVIRWM Grant projects are attached to this report.
- **Mutual Response Agreement for Antelope Valley Agencies**
 - Staff has met and developed a list of contacts for the water agencies within the greater Antelope Valley that are not yet a part of the Mutual Response Agreement for Antelope Valley Agencies (MRA). A meeting was held on March 10th with three prominent mutual water companies to review the MRA and answer their questions. The key concerns were the required liability insurance in the MRA and assurance that the MRA would not bind them to any specific actions or commitments. A meeting to do final review of the MRA with the current participants will be held on July 20th. Staff will invite the agencies on the contact list to this meeting so they can provide further input and ask questions regarding the MRA.
- **Antelope Valley Home Show and SMART Water Expo**
 - The Home Show and SMART Water Expo has been postponed to an undetermined date in 2022.
- **Ethics AB1234 Training**
 - Ethics Training was successfully held on March 16th.

Supporting Documents:

- AVIRWM Project List

AVIRWM Projects Submitted for Prop 1 Round 1 Grant Funding

PROJECT 1: Grant Administration

IMPLEMENTING AGENCY: Antelope Valley State Water Contractors Association

PROJECT DESCRIPTION: The Regional Water Management Group authorized Antelope Valley State Water Contractors Association to act as the applicant and the grant manager for the Proposition 1, Round 1 IRWM Implementation Grant. Antelope Valley State Water Contractors Association will administer these funds and respond to DWR's reporting and compliance requirements associated with the grant administration. This office will act in a coordination role: disseminating grant compliance information to the project managers responsible for implementing the projects contained in this agreement, obtaining and retaining evidence of compliance (e.g., CEQA/NEPA documents, reports, monitoring compliance documents, labor requirements, etc.), obtaining data for progress reports from individual project managers, assembling and submitting progress reports to the State, and coordinating all invoicing and payment of invoices.

PROJECT 2: Antelope Valley Regional Conservation Project (AVRCP)

IMPLEMENTING AGENCY: Antelope Valley Resource Conservation District (AVRCD)

PROJECT DESCRIPTION: The Antelope Valley Regional Conservation Project (AVRCP) is comprised of the following three components: 1) implementation of the Grass Reduction Program, 2) expansion of the Conservation Garden, and 3) education on water conservation across the Antelope Valley IRWM region. The Grass Reduction Program is a rebate program for landscape conversion that will be offered to homeowners within the AVRCD service area to decrease regional water demands and to improve groundwater quality as a result of decreased fertilizer use. The Grass Reduction Program will reduce outdoor water consumption by approximately 12 AFY. The program will also offset about 300 pounds of chemical fertilizer use in the Region, or 9.3 milligrams per liter (mg/L) in applied water.

PROJECT 3: Littlerock Dam Sediment Removal Project (LRSR Project)

IMPLEMENTING AGENCY: Palmdale Water District (PWD)

PROJECT DESCRIPTION: Littlerock Reservoir is a man-made feature formed by the impoundment of water by the Littlerock Dam. The LRSR Project proposes to restore the capacity of the Littlerock Reservoir to 3,500 acre-feet (AF) through removal of approximately 1,165,000 net cubic yards of accumulated sediment behind the Littlerock Dam and restore 500 AF of local storage capacity. This project will initiate the first phase of sediment remove and remove approximately 388,333 cubic yards of sediment. The primary benefit is this project will increase local water supplies through restored reservoir capacity by approximately 167 AF. The secondary benefit is it will reduce energy consumption by offsetting State Water Project water to the region with local water supplies, conserving 240,326 kWh per year of energy and reducing GHG emission by 221 metric tons CO₂.

(Pulled from Grant Application)PROJECT 4: Phase 2 Distribution System

IMPLEMENTING AGENCY: Palmdale Recycled Water Authority (PRWA)

PROJECT DESCRIPTION: The project location is approximately 60 miles north of Los Angeles and 95 miles southeast of the City of Bakersfield. The project will construct a recycled water main trunk line pipe connecting to the existing main and lateral line pipe to provide service to Palmdale Oasis Park, Yellen Park, and Domenic Massari Park. The proposed project will deliver approximately 500 AFY of tertiary-treated recycled water from the Los Angeles County Sanitation District (LACSD) No. 20 Palmdale Water Reclamation Plant to Schools, Parks, and Others (SPO) and irrigation for Landscape Maintenance Districts (LMDs) that are common landscaped areas irrigated from a single connection in residential areas.

PROJECT 5: South North Intertie Pipeline (SNIP) Phase II Project

IMPLEMENTING AGENCY: Antelope Valley – East Kern Water Agency (AVEK)

PROJECT DESCRIPTION: Antelope Valley – East Kern Water Agency's Leona Valley and mutual water customers' only source of supply is surface water treated at the Quartz Hill Water Treatment Plant (QHWTP). When surface water quality is poor, customers in Leona Valley are susceptible to water deliveries with high trihalomethane (THM) concentrations. This project proposes to connect AVEK's Westside Water Bank to the QHWTP, allowing AVEK to send a blend of low-THM groundwater and treated surface water to these customers. Based on AVEK's experience with groundwater and surface water blending, the customers can expect to see a THM concentration decrease of approximately 25 µg/L. Conversely, blending groundwater with surface water will help reduce concentrations of isolated naturally occurring arsenic in local groundwater supplies. The proposed project will also increase water supply reliability in the Leona Valley.

PROJECT 6: Wastewater Treatment Plant Rehabilitation and Groundwater Protection

IMPLEMENTING AGENCY: Rosamond Community Services District (RCSD)

PROJECT DESCRIPTION: RCSD owns and operates a secondary wastewater treatment plant (WWTP) with a capacity of 2.0 million gallons per day (MGD). The project proposes to increase the WWTP secondary treatment capacity from 0.5 to 1.27 MGD to treat all the WWTP influent and subsequently discharge the de-nitrified undisinfectected secondary effluent to new percolation ponds. Approximately 1,500 acre-feet per year (AFY) of treated water will be recharged into the Basin, creating a new source of water supply for the Region. It is assumed that this new groundwater supply will offset imported water use within the RCSD service area, effectively reducing greenhouse gas emissions from decreased imported water use by 2,791 metric tons of CO₂. Improvements to the WWTP will also remedy nitrate, total dissolved solids, and chloride contamination in the Basin from the evaporation ponds and therefore improve groundwater quality.

ANTELOPE VALLEY STATE WATER CONTRACTORS

Balance Sheet

For the Ten Months Ending 4/30/2021

	<u>YTD</u>
ASSETS	
Cash - General Fund	\$232,706.32
Restricted - AVRWMG	36,688.40
Accounts Receivable	10,600.00
Prepaid Insurance (Premium Period 10/1 - 9/30)	909.56
Total Assets	<u><u>\$280,904.28</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$16,300.81
Total Liabilities	<u>16,300.81</u>
FUND BALANCE	
Unassigned	264,603.47
Total Fund Balance	<u>264,603.47</u>
 Total Liabilities and Fund Balance	<u><u>\$280,904.28</u></u>

ANTELOPE VALLEY STATE WATER CONTRACTORS**Profit & Loss Statement****For the Ten Months Ending 4/30/2021**

	<u>April</u>	<u>YTD</u>
Revenues:		
Contributions - Member Agency		\$68,000.00
Contributions - Member Programs (USGS & CASGEM)		34,171.00
Contributions - Member Programs (Financial Analysis PSA)		
Contributions - Member Programs (Big Rock Creek)		
Contributions - Member Programs (AV Fair-Conservation Garden)		
Contributions - Non-Member Programs (USGS)		
Contributions - Others (AVRWMG)		
Water Sales - Pilot In-Lieu Banking		453,225.65
Miscellaneous Refund	289.79	289.79
Interest Earnings	7.02	165.33
Total Revenue		<u>\$555,851.77</u>
Expenditures:		
General Government		
Bank Fees		
Insurance	181.92	1,819.16
Memberships		3,715.00
Outreach		569.17
Purchased Water		453,225.65
Miscellaneous		
		<u>459,328.98</u>
Public Resource		
Contract Services - Administration	3,180.00	13,798.94
Contract Services - USGS & CASGEM		21,833.34
Contract Services - AVRWMG		
Contract Services - IRWMP 2013 Update		7,144.50
Contract Services - BIG ROCK CREEK	2,520.81	31,257.06
Contract Services - FINANCIAL ANALYSIS		
Contract Services - General Projects		
Contract Services - AV Fair Conservation Garden		
Contract Services - Home Show/WaterSmart Expo		
Contract Services - Other		
		<u>74,033.84</u>
Total Expenditures		<u>\$533,362.82</u>
Change in Net Position		<u>\$22,488.95</u>
Net Position - Beginning of Year		<u>242,114.52</u>
Net Position - End of Year		<u>\$264,603.47</u>