



ANTELOPE VALLEY-EAST KERN WATER AGENCY  
ANTELOPE VALLEY-EAST KERN WATER AGENCY FINANCING AUTHORITY  
MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
FEBRUARY 26, 2019

**ITEM 1.** A regular meeting of the Board of Directors of the Antelope Valley-East Kern Water Agency and the Antelope Valley-East Kern Water Agency Financing Authority located at 6450 West Avenue "N," Palmdale, California 93551, was called to order by **President Sorsabal** at 6:30 p.m.

**ITEM 2.** The Pledge of Allegiance to the Flag was led by Vice President **Keith Dyas**.

**ITEM 3.** **ROLL CALL – MEMBERS PRESENT:**  
Division 7 – **Gary Van Dam**  
Division 6 – **Marlon Barnes**  
Division 3 – **Frank Donato**  
Division 2 – **Keith Dyas** (Vice President)  
Division 1 – **Shelley Sorsabal** (President)

**OFFICERS PRESENT:**  
**Dwayne Chisam**, General Manager  
**Lee McElhaney**, Attorney – Brunick, McElhaney, & Kennedy  
**Holly Hughes**, Secretary-Treasurer

**NOT PRESENT:**  
Division 5 – **Robert Parris**  
Division 4 – **Justin Lane**

**NOTES:** **STAFF PRESENT:**  
**Matt Knudson**, **Jon Bozigian**, **Teresa Yates**, and **Pam Clark**

**OTHERS PRESENT:**  
**John Joyce**, **Alisha Semchuck**, **Vincent Dino**, **Ben Stewart**, **Richard Gomez**, **Jim Gardner**, **Matthew Payne**, and others.

Although a teleconference location was posted for this agenda, there were no directors present via teleconference and roll-call voting was not necessary.

**President Sorsabal** stated that General Manager **Chisam** had an item for consideration to add to this agenda. GM **Chisam** stated that pursuant to Government Section 54954.2(b)(2) a provision is provided when immediate action is needed on this matter which came to the attention of the Agency subsequent to the agenda being posted. The item necessary pertains to the consideration of the Sites Reservoir Project to avoid losing our first priority status and would require 2/3 vote by the board to add it. GM **Chisam** further stated that the Agency had allocated 500 AF for the project and **Tejon** requested that we maintain our first class status that needs to be approved and received prior to 2/28/19, otherwise this will be reclassified as a second class basis. **President Sorsabal** asked if the board would entertain a motion to add the Sites Reservoir Project to this Agenda as New Business Item No. 6(a-3).

**ORDERED:** On motion by **Dyas**, second by **Barnes**, to add New Business Item No. 6(a-3) for Consideration of participation in the Sites Reservoir Project for 2019 as presented; **Voting: 5-0-2; Parris and Lane not present; Carried.**

**ITEM 4.** **PUBLIC COMMENTS AND PERIOD OPEN TO THE PUBLIC:** There were no public comments heard from the floor.

**ITEM 5.** **CONSENT CALENDAR – ACTION ITEMS** – The public and board shall have an opportunity to comment on any action item(s) on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.

5(a-1) Approve minutes of special Board meeting of January 10, 2019

5(a-2) Approve minutes of the regular Board meeting of January 22, 2019

5(a-3) Accept and File the Check Register List from February 7, 2019 through February 20, 2019

**ORDERED:** On motion by **Barnes**, second by **Donato**, to approve all three Consent Calendar Items Numbered 5(a-1): Approving minutes of the special board meeting of January 10, 2019; 5(a-2): Approving minutes of the regular board meeting of January 22, 2019; and 5(a-3): Accepting and filing the check register list from February 7, 2019 through February 20, 2019 [includes checks 76186 through 76246 totaling \$1,390,497.93] as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

**ITEM 6. NEW BUSINESS: ITEM(S) FOR COMMUNICATION AND POSSIBLE ACTION:**

6(a-1) NASDAQ Water Index Presentation by Matt Payne with WestWater Research. Mr. Payne stated that no action was being sought in connection with this item and that it was for information purposes only. A presentation was provided as an overview on the Nasdaq Veles California Water Index (NQH2O). The goal of the new price index is to track water transfer prices in California. Highlights of the presentation included their objectives, defining the market, index calculation, historical index levels (\$/AF), futures, and hypothetical scenarios. In summation, the index would be up when the volume is low, and down when the water is abundant. The price calculation is done once per week, at the close of business every Wednesday. He requested feedback on the index and futures contract and stated that they were seeking interested parties to test the concept by executing initial NQH2O futures trades once the product is listed on the NFX. He provided a link to obtain additional information.

6(a-2) Resolution No. R-19-08, Concurrence of the nomination of Brent Hasteley to the Executive Committee of ACWA-JPIA  
**ORDERED:** On motion by Barnes, second by Dyas, to adopt Resolution No. R-19-08, concurring on the nomination of Brent Hasteley to serve on ACWA/JPIA's Executive Committee, as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

6(a-3) Participation in the Sites Reservoir Project for 2019 in an amount not-to-exceed \$60 per AF and authorize the GM to execute said Agreement. The Sites Reservoir Project is an off-SWP Joint Powers looking to generate a new water storage source for the future. This was to be completed by January 2019 but now will require an additional year to maintain the project moving forward. This request is consistent with the previous Agreement. The \$60 per AF will be paid by and for the benefit of Tejon Ranch through their reimbursement to AVEK. The Sites Committee met last Friday and requested all participating parties to approve by 2/28/19. By extending the Agreement, this will open additional opportunities through the end of the year. Vice President Dyas asked if Tejon would pay the associated \$30k for this this and GM Chisam responded affirmatively. President Sorsabal inquired if Tejon would also pay for the associated administrative costs and that was also responded to affirmatively.

**ORDERED:** On motion by Dyas, second by Barnes, to authorize the continued participation with 500 AF with the Sites Reservoir Phase 2 Commitment and authorizing the general manager to execute said 2019 Reservoir Project Agreement as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

**ITEM 7. ITEM(S) FOR CONSIDERATION AND POSSIBLE ACTION**

FINANCE 7(a-1) Adopt Resolution No. R-19-07, Designating signatories for a new checking account relating to High Desert Water  
[FD/SS/KD] (HDWB) Bank Enterprise Fund activities

**ORDERED:** On motion by Donato, second by Barnes, to adopt Resolution No. R-19-07, designating signatories for the Agency's new Checking Account relating to the High Desert Water Bank Enterprise Fund expenses and activities as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

7(a-2) Rebuild Central Feeder Pump - FPI - \$56,248.42. Operations Manager Bozigian stated that a central feeder pump in Rosamond was 40 years old and in need of repair/rebuilding. Competitive bids were received with the lowest responsible bid received from Farm Pump and Irrigation for \$56,248.42. Recommendation was to award the bid as presented from FPI.

**ORDERED:** On motion by Donato, second by Van Dam, to approve Purchase Order No. 19-0045 to Farm Pump & Irrigation in the amount of \$56,248.42 to rebuild the central pump feeder No. 2 as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

7(a-3) Purchase IC System for Analysis of Bromate and Bromide – Thermo Scientific - \$47,832.23. GM Chisam stated that the existing unit was 8-9 years old and needed to be replaced. It is an important piece of equipment to record accurate levels in order to maintain compliance in THM levels. Director Donato stated that additional warning time should be provided in the future and also asked if this item could be brought back to the board in the future so they could see how it works.

**ORDERED:** On motion by Donato, second by Dyas, to approve Purchase Order No. 19-0049 in the amount of \$47,832.23 payable to Thermo Scientific to purchase Integriion IC System for the analysis of bromate and bromide as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

7(a-4) Delta Conveyance Finance Authority – Administrative Cost Share - \$26,666.67

**ORDERED:** On motion by Barnes, second by Donato, to approve payment in the amount of \$26,666.67 payable to the Delta Conveyance Finance Authority for administrative cost share as presented and recommended. **Voting: 5-0-2; Parris and Lane not present; Carried.**

WATERMASTER 7(b-1) Provide AVEK Board Guidance to AVEK Representative for AV Watermaster Agenda of 2/27/19; Item No. 9(a) and 9(f)  
[RP/FD/MB] The committee met to discuss a parcel boundary memo written by AV Watermaster legal counsel Craig Parton and its implications to the Agency, along with a proposal to meet bi-monthly in the future and other matters that need board direction and clarification.

**ITEM 8. GENERAL MANAGER'S REPORT ON WATER SUPPLY, PROJECTS, AND PROGRAMS:**

GM Chisam stated that the total precipitation since January 1, 2019 was 27.2". The ten day forecast was for significant snow and rain continuing. Table A allocation was increased to 35% and the statewide average for snowpack was 141% to date.

Water deliveries for conventional treatment was at 10 MGD, with geopurification deliveries at 3.6 MGD. Water Banking (SWP recharge and storage) for the Westside banking was 144 AFD and Eastside banking facility totaled 3.5 AFD for a total of 147.5 AFD for SWP recharge and storage. AVEK water quality THM's remain well below our internal goal of 64 µg/L. Initial quarterly testing for 123-TCP for wells was completed – all were non-detect (ND) and as such now we only do annual testing. The new AVEK Operations Center (building) received LEED Gold Certification Status. Various legislative updates were provided. Upcoming events, conferences and meetings for the AV Watermaster, Urban Water Institute, HDWB Value Engineering Workshop and CFEE Roundtable were discussed along with the general manager's upcoming schedule.

8(a-1) Update on Big Rock Creek Pilot Recharge Project. Startup occurred on 2/22/19 at 20 CFS. Flows were found crossing Avenue T on 2/23/19. A total of 34.55 AF has been discharged at Big Rock Creek to date.

8(a-2) Update on Upper Amargosa Creek Recharge Project. Estimated completion at 27% as of 1/31/19. AVEK's contribution to date is \$522,764.06 of \$2.5M (21%). Target completion date is 11/23/19.

**ITEM 9. COMMITTEE MEETING RECAP REPORT FOR INFORMATIONAL PURPOSES ONLY**

**ITEM 10. DIRECTORS REPORTS:** There were no reports given by any of the directors.

**ITEM 11. ATTORNEY REPORT:** There was no report given by Attorney McElhaney.

**ITEM 12. CLOSED SESSION:** It was declared that there was reason to go into closed session for Items 12(d) and 12(e).

**ORDERED:** On motion by Barnes, second by Donato, the meeting was adjourned to closed session at 7:49 p.m.; **Voting: 5-0-2;** Parris and Lane not present; Carried.

- a. Possible Closed Session, Conference with Legal Counsel – Litigation, to which the local agency is a party pursuant to Government Code Section §54956.9(d)(1), three cases: *Diamond Farming Company vs. Palmdale Water District and Bolthouse, Inc. vs. Palmdale Water District and Los Angeles County Waterworks District No. 40 vs. Diamond Farming Company, Et Al*; one case to discuss ongoing Adjudication Principal's Mediation Efforts
- b. Possible Closed Session, Conference with Legal Counsel, existing litigation, AVEK vs. Best Best and Krieger, per Government Code Section §54956.9(a)
- c. Possible Closed Session, Conference with Legal Counsel, existing litigation, AVEK vs. B.V. Construction, per Government Code Section §54956.9(a)
- d. Possible Closed session pursuant to Government Code Section 54956.8  
Conference with Real Property Negotiators

Property: APN's: 3275-021-001, 3275-021-003, 3275-021-004, 3275-021-006, 3275-021-007, 3275-021-008, 3275-021-009, 3275-021-010, 3275-021-011, 3275-021-012, 3275-021-015, 3275-021-016, 3275-021-021, 3275-021-022, 3275-021-023, 3275-021-024, 3275-021-025, 3275-021-026, 3275-021-027, 3275-021-028, 3275-021-030, 3275-021-031, 3275-021-035, 3275-021-036, 3275-021-037, 3275-021-038, 3275-021-039, 3275-021-040, 3275-021-043, 3275-021-044, 3275-021-045, 3275-002-003, 3275-002-004, 3275-002-011, 3275-003-009, and 3275-003-010

Agency Negotiator: General Manager Dwayne Chisam

Negotiating parties: AVEK and Rommel N and Criselda L Alcid; Ariel and Edna Braza, Marco and Estela Segui; Cal Golf Inc; Daniel Cranfield, Paulina Grajera; Abraham L and Francisca T. Castillo; Mohammadnejat Davoodian, Kobra Sofavi, Bill Chuan, Kelly Yip, Arley Wolf, Suong Wolf, Delfin and Welma Biala; Gabriel T Fabella, Julia R Fabella, Emmanuel Fabella, Inez Gatmaitan-Fabella, Remedios Balleza, Benigno G Tuazon; Ronaldo B Fernandez, Rafael Fernandez Jr and Amelia Fernandez, Robert Bernales, Mary Jane Bernales, Natalio T Barrera, Ida V Barrera; Marc Stephen T Flores and Christia Marie T Flores; Abigail Camaya Hills, Gabriel T Fabella and Julita R Fabella; Iris Dale R So Hu; Ivy Rose R So Hu; Ira Services, Custodian Fbo: Hong Gao, Waley W Sung, Maocheng Li, David W Huang; Joanne E Pappas, Ira Services Custodian Fbo: Patrick Haslam, Howard L Hoffman, Philip A Galu, Lana Hutnick, Martin Allen Hamilton, Mario Gabriel Aguilar, Joanne Pappas, Keith A Huggett, Richard Philip Cadway; La Liebre Orchard 21 LLC; La Liebre Orchard No 25 LLC; La Liebre Orchard No 26 LLC; La Liebre Orchard No 31 LLC; Alice Lee, Louisa Lee, Erica Chen, Allison Chen; Gim Oi Lew; Hector Lopez, Maura Lopez, Armando Funes, Ruth Funes; Anthony James Mcgrane, Ernest Lenert Jr, Andrea J Lenert; Man Leung Ng, Quang Thanh Su, Ellen Tam Su, Wing Kit Law, Sin Hung Leung, Steve B Phui, Nhi M. Vong-Phui; Jumayde N Paayas and Editha T Paayas; Raquel Sisayan LLC; Raquel Sisayan LLC, Steven G Johnson and Stephanie A Johnson; Louie Michael Siapno and Geraldine Loy Siapno; Inner Space Design and Development Inc.; Elizabeth Y Tan, Maria Isabella T Santos, Juan Emanuel T Santos; Frederick C Tochterman and Ceclia C Tochterman, Ya Ping Wang and Chun Hong Wang; Velur Holdings LLC; Danny C Vidamo and Aida S Vidamo; Peter Tea Long Yam, Chean Yean Yam, Suong Ying Yam, Lang Ying Yam;

*Under negotiation: Price and terms of payment for possible purchase*

- e. *Possible Closed Session - Conference with Legal Counsel - Anticipated Litigation, significant exposure to litigation, subject to Government Code Section §54956.9 (b)(3)(A), Three Potential Cases*
- f. *Possible Closed Session, Conference with Legal Counsel, existing litigation, Validation Action – 34-2017-00215965, Case No. JCCP No. 4942, per Government Code Section §54956.9(a)*
- g. *Possible Closed Session – Board Evaluation of Officers, pursuant to Government Code Section §54957*

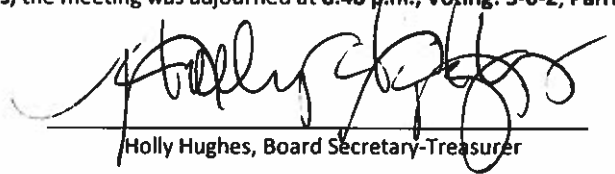
**ORDERED:** On motion by **Dyas**, second by **Barnes**, the meeting was reconvened to open session at 8:46 p.m.; Voting: 7-0; Carried.

**ITEM 13. CLOSED SESSION ANNOUNCEMENTS:** There was no reportable action taken as a result of closed session.

**ITEM 14. REQUEST FOR FUTURE AGENDA ITEMS:** None.

**ITEM 15. ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR TUESDAY, MARCH 12, 2019 AT 6:30 P.M.**

**ORDERED:** On motion by **Donato**, second by **Dyas**, the meeting was adjourned at 8:48 p.m.; Voting: 5-0-2; Parris and Lane not present; Carried.



Holly Hughes, Board Secretary-Treasurer

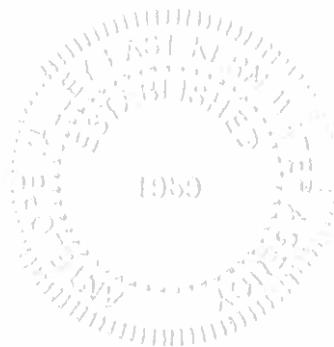
**APPROVED BY THE BOARD OF DIRECTORS:**

3/26/19



Date

President



**RECOMMENDED BOARD ORDER 6(a-2)**

To the Board of Directors

**FOR BOARD ACTION**

**CHECK REGISTER LIST** *✓ Vta Consent Calendar*

The Board of Directors adopted the following board order on March 26, 2019:

That the check register list for the period of March 7, 2019 through March 20, 2019 be approved and accepted for filing as presented.

Motion by

*Sygas*

Second by

*Barnes*

Carried

5-1-1

- Parris abstained

- Donato NOT present

**BOARD ORDER 6(a-2)**

03-26-19