



**ANTELOPE VALLEY-EAST KERN WATER AGENCY
ANTELOPE VALLEY-EAST KERN WATER AGENCY FINANCING AUTHORITY
SPECIAL BOARD MEETING AGENDA
TUESDAY, JULY 21, 2026, AT 5:30 PM
6450 WEST AVENUE "N," PALMDALE, CA 93551
TELECONFERENCE LOCATION(S): 2856 Owens Way, Rosamond, CA 93560; & Zoom**

Teleconference: (669) 900-6833; ID No. 894 3572 7657#; PASSCODE: 0

Video Conference: <https://us02web.zoom.us/j/89435727657?pwd=ak1XbmprdFBUQnRZOWszWU91VHdyUT09>

****Please mute audio at all times unless speaking****

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

- 3. ROLL CALL:** Division 6 – **Audrey Miller** ____; Division 5 – **Robert Parris** ____;
Division 3 – **Jay Tremblay** ____; Division 2 – **Keith Dyas** ____; Division 1 – **Drew Mercy** ____;
Division 7 – **Gary Van Dam** ____; Division 4 – **George Lane** ____

OFFICERS: General Manager – **Matthew Knudson**; Attorney – Attorney – **Doug Evertz/Emily Madueno**; Board Secretary/Treasurer – **Holly Hughes**

- 4. VOLUNTARY PUBLIC ROLL-CALL** – If any member of the public wishes to introduce themselves, please feel free to do so now.

- 5. PUBLIC COMMENTS AND PERIOD OPEN TO THE PUBLIC** – If anyone wishes to address the board on any item not on the agenda, please feel free to do so now.

6. ADOPTION OF AGENDA

			Page
6(a-1)	Adoption of Agenda for Special Board Meeting of July 21, 2026	Board Order 6(a-1)	4

7. PUBLIC HEARING, COMMITTEE REPORTS, AND PRESENTATIONS**a. Public Hearing**

7(a-1)	Public Hearing Regarding 3-Year Water Plan for Fiscal Year 2027 through Fiscal Year 2029 Water Delivery Rates and Charges for the Antelope Valley-East Kern Water Agency: a. Open Public Hearing b. Presentation by Staff c. Public Comments d. Board of Directors Comments e. Close Public Hearing	n/a
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b. Presentation on Fiscal Year 2026/2027 Tax Levies, Reserve Policy, and Budget

7(b-1)	Staff Presentation: a. 2026/2027 Tax Levies for the State Water Project, Pursuant to Section 79 of the Agency Act; b. Revised Reserve Policy; c. Fiscal Year 2026/2027 Budget	n/a
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8. ITEM(S) FOR CONSIDERATION AND POSSIBLE ACTION**a. Water Rates & Capacity Fee Committee (AM/DM/JT)****Page**

8(a-1)	Consideration and possible action on Resolution No. R-26-22; Approving the FY 2027 through FY 2029 Water Delivery Rates and Charges for the Antelope Valley-East Kern Water Agency (<i>General Manager Knudson</i>)	Board Order 8(a-1)	5
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b. Finance Committee (KD/GL/RP) 07/16/26**Page**

8(b-1)	Consideration and possible action on Resolution No. R-26-17; Determining, Certifying, and Directing 2026-2027 Tax Levies in the Counties of Los Angeles, Kern, and Ventura, Pursuant to Section 79 of the Agency Act (<i>General Manager Knudson</i>)	Board Order 8(b-1)	11
8(b-2)	Consideration and possible action on Resolution No. R-26-18; Adopting a Revised Reserve Policy (<i>General Manager Knudson</i>)	Board Order 8(b-2)	17
8(b-3)	Consideration and possible action on Resolution No. R-26-20; Adopting the Fiscal Year 2026/2027 Budget (<i>General Manager Knudson</i>)	Board Order 8(b-3)	27

c. Watermaster & Groundwater Stewardship Committee (RP/AM/DM) 07/15/26**Page**

8(c-1)	Review agenda for Antelope Valley Watermaster regular meeting scheduled for July 22, 2026 (<i>Assistant General Manager Livesay and Water Resource Planner Wright</i>)	Board Order 8(c-1)	32
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d. New Business**Page**

8(d-1)	Consideration and possible action on Resolution No. R-26-21; Consolidating Next Election with the Statewide General Election of 11/3/26 for Division 1 in Ventura County (<i>Attorney Evertz</i>)	Board Order 8(d-1)	38
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9. GENERAL MANAGER’S REPORT ON WATER SUPPLY, PROJECTS, AND PROGRAMS**10. DIRECTORS REPORTS****11. ATTORNEY REPORT****12. REQUEST FOR FUTURE AGENDA ITEMS****13. ADJOURNMENT**

Note: The Board reserves the right to discuss and/or act on all the above agenda items.

NOTICES

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 943-3201 or writing to Antelope Valley-East Kern Water Agency at 6450 West Avenue N, Palmdale, CA 93551. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

A complete agenda packet containing all accompanying reports for this agenda is available by contacting the Board Secretary-Treasurer at hhughes@avek.org or (661) 943-3201, or at the Antelope Valley-East Kern Water Agency, 6450 West Avenue N, Palmdale, CA 93551. Board meetings are subject to audio recording.

Posted: July 17, 2026, at 3:30 p.m. by Holly Hughes, Board Secretary-Treasurer

RECOMMENDED BOARD ORDER 6(a-1)

To the Board of Directors

FOR BOARD ACTION

ADOPTION OF THE CURRENT AGENDA FOR JULY 21, 2026

The Board of Directors adopted the following Board Order on July 21, 2026:

To adopt the current Agenda for July 21, 2026, as presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 6(a-1)

07-21-26

BOARD ORDER 8(a-1)

To the Board of Directors

FOR BOARD ACTION

**APPROVE PROPOSED WATER DELIVERY RATES & CHARGES
FOR FISCAL YEAR 2027 THROUGH FISCAL YEAR 2029
BY ADOPTING RESOLUTION R-26-22**

The Board of Directors adopted the following board order on July 21,
2026:

Adopt Resolution No. R-26-22, approving the Fiscal Year 2027 through
Fiscal Year 2029, Water Delivery Rates and Charges, to be effective July 1 of
each year, beginning July 1, 2026, for Fiscal Year 2027; July 1, 2027, for Fiscal
Year 2028; and July 1, 2028, for Fiscal Year 2029; as presented and
recommended.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(a-1)

07-21-26



Date: July 21, 2026
To: Board of Directors
From: Matthew Knudson, General Manager *M.K.*
Justin Livesay, Assistant General Manager

Agenda Item: 8(a-1)

Subject: Consideration and possible action on Resolution No. R-26-22; Approving the FY 2027 through FY 2029 Water Delivery Rates and Charges for the Antelope Valley-East Kern Water Agency

Recommendation:

The Water Rates & Capacity Fees Committee and staff recommend that the Board:

1. Discuss and determine the appropriate water rate adjustment for FY 2027 through FY 2029, effective July 1 of each year; and
2. Adopt Resolution No. R-26-22, Approving the FY 2027 through FY 2029 Water Delivery Rates and Charges

Background:

Antelope Valley-East Kern Water Agency (AVEK) contracted with Raftelis Financial Consultants to update the Agency's five-year financial plan which is used to project cash flow, debt coverage, and reserve levels. This information is then used to make a recommendation on water rate adjustments to ensure the Agency has sufficient funds for operations, debt payments, capital projects, and is complying with established reserve policies.

Raftelis has completed the financial plan and staff has presented a recommended three-year rate increase to the Water Rates & Capacity Fees Committee and the Board. Staff held a Water Rate Workshop for our customers on June 18, 2026 where information on the methodology behind the financial plan and logic behind the recommended rate adjustments were presented and positive feedback was received. To date, no written comments have been received regarding the proposed rate adjustments. The Board will hold a Public Hearing where staff will give a presentation and the Board will receive any final comments from the public before taking action.

Fiscal Impact:

The proposed rate adjustments will ensure the Agency has sufficient funds for operations, debt payments, capital projects, and is complying with established reserve policies.

Strategic Plan Element:

Goal 4 – Financial Integrity

Attachments:

Resolution No. R-26-22

RESOLUTION NO. R-26-22

A RESOLUTION OF THE BOARD OF DIRECTORS OF ANTELOPE VALLEY-EAST KERN WATER AGENCY APPROVING THE FISCAL YEAR 2027 THROUGH FISCAL YEAR 2029 WATER DELIVERY RATES AND CHARGES

A. Recitals.

(i) This Board is authorized to collect charges and set rates for water service pursuant to California Water Code Appendix, subsection 98-65 (8); and

(ii) Agency staff has, and will continue to, search for cost saving measures including the active pursuit of grant funding; and

(iii) The adoption of this resolution is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Public Resources Code Section 21080(b)(8) and Section 15273 of the State CEQA Guidelines codified at 14 CCR §15273 because the resolution pertains to the adoption of charges necessary to maintain services within the Agency's existing service area.

B. Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board of Directors of Antelope Valley-East Kern Water Agency does hereby:

- 1) Approve a water rate adjustment of 3.0% over and above the water rate charged in Fiscal Year 2026 for Fiscal Year 2027, effective July 1, 2026.
- 2) Approve a water rate adjustment of 3.0% over and above the water rate charged in Fiscal Year 2027 for Fiscal Year 2028, effective July 1, 2027.
- 3) Approve a water rate adjustment of 3.0% over and above the water rate charged in Fiscal Year 2028 for Fiscal Year 2029, effective July 1, 2028.
- 4) Approve the Fiscal year 2027 through Fiscal year 2029 Water Delivery Rates and Charges for the Antelope Valley-East Kern Water Agency, attached as part of this Resolution, to reflect these adjustments.
- 5) Direct Agency staff to continue researching cost-saving measures, including grants, to help reduce future increases.

ADOPTED this 21st day of July, 2026.

President of the Board of Directors of the
Antelope Valley-East Kern Water Agency

ATTEST:

Board Secretary-Treasurer,
Antelope Valley-East Kern Water Agency



Water Delivery Rates & Charges

FY 2027

Antelope Valley - East Kern Water Agency

Effective July 1, 2026

Municipal & Industrial Water Delivered to Customer Under Terms of Water Service Agreement

Treated Water

Delivery Rate
\$/Acre-Ft

838.00

Untreated Water

Delivery Rate
\$/Acre-Ft

577.00

***Agricultural Water Delivered to Customer Under Terms of Water Service Agreement
from California Aqueduct through Customer-Owned Facilities***

Untreated Water

Delivery Rate
\$/Acre-Ft

558.00

***Agricultural Water Delivered to Customer Under Terms of Water Service Agreement
from Agency-Owned Facilities***

Treated Water

Delivery Rate
\$/Acre-Ft

810.00

Untreated Water

Delivery Rate
\$/Acre-Ft

564.00

Municipal & Industrial Water Delivered to Acton Service Area

Treated Water

Delivery Rate
\$/Acre-Ft

896.00



Water Delivery Rates & Charges

FY 2028

Antelope Valley - East Kern Water Agency

Effective July 1, 2027

Municipal & Industrial Water Delivered to Customer Under Terms of Water Service Agreement

Treated Water

Delivery Rate
\$/Acre-Ft

863.00

Untreated Water

Delivery Rate
\$/Acre-Ft

594.00

***Agricultural Water Delivered to Customer Under Terms of Water Service Agreement
from California Aqueduct through Customer-Owned Facilities***

Untreated Water

Delivery Rate
\$/Acre-Ft

575.00

***Agricultural Water Delivered to Customer Under Terms of Water Service Agreement
from Agency-Owned Facilities***

Treated Water

Delivery Rate
\$/Acre-Ft

834.00

Untreated Water

Delivery Rate
\$/Acre-Ft

581.00

Municipal & Industrial Water Delivered to Acton Service Area

Treated Water

Delivery Rate
\$/Acre-Ft

923.00



Water Delivery Rates & Charges

FY 2029

Antelope Valley - East Kern Water Agency
Effective July 1, 2028

Municipal & Industrial Water Delivered to Customer Under Terms of Water Service Agreement

<i>Treated Water</i>	<i>Untreated Water</i>
Delivery Rate	Delivery Rate
\$/Acre-Ft	\$/Acre-Ft
889.00	612.00

Agricultural Water Delivered to Customer Under Terms of Water Service Agreement from California Aqueduct through Customer-Owned Facilities

<i>Untreated Water</i>
Delivery Rate
\$/Acre-Ft
592.00

Agricultural Water Delivered to Customer Under Terms of Water Service Agreement from Agency-Owned Facilities

<i>Treated Water</i>	<i>Untreated Water</i>
Delivery Rate	Delivery Rate
\$/Acre-Ft	\$/Acre-Ft
859.00	598.00

Municipal & Industrial Water Delivered to Acton Service Area

<i>Treated Water</i>
Delivery Rate
\$/Acre-Ft
951.00

RECOMMENDED BOARD ORDER 8(b-1)

To the Board of Directors

FOR BOARD ACTION

ADOPTION OF RESOLUTION NO. R-26-17
DETERMINING, CERTIFYING, AND DIRECTING FISCAL YEAR
2025-2026 TAX LEVIES FOR COUNTIES OF LOS ANGELES, KERN,
AND VENTURA

The Board of Directors adopted the following board order on July 21,
2026:

Whereas, the existing Tax Rate for Fiscal Year 2025-2026 is 0.070490,
and the proposed Tax Rate for Fiscal Year 2026-2027, as recommended by the
BOARD OF DIRECTORS, is 0.066970, that **RESOLUTION No. R-**
26-17, determining, certifying, and directing Tax Levies for Fiscal Year 2026-
2027 for the counties of Los Angeles, Kern, and Ventura, be adopted as
presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(b-1)

07-21-26



Date: July 21, 2026

Agenda Item: 8(b-1)

To: Board of Directors

From: Matthew Knudson, General Manager *M-K*
Teresa Yates, Finance Manager

Subject: **Consideration and possible action on Resolution No. R-26-17; Determining, Certifying, and Directing 2026-2027 Tax Levies pursuant to Section 79 of the Agency Act**

Recommendation:

Staff and the Finance Committee recommend that the Board:

Approve Resolution No. R-26-17; determining, certifying, and directing the Fiscal Year 2026-2027 tax levies in Los Angeles, Kern, and Ventura Counties pursuant to Section 79 of the Agency Act.

Background:

Section 79 of the Agency's enabling act requires the Board of Directors to determine the amounts of money necessary to be raised by taxation during the fiscal year, fix the applicable tax rate or rates, certify those rates to the Boards of Supervisors of Los Angeles, Kern, and Ventura Counties, and provide the required written statement within the applicable timeframe.

The Agency has incurred indebtedness to the State of California pursuant to its Water Supply Contract dated September 20, 1962. The resolution states that the indebtedness was approved by the voters prior to July 1, 1978 within the meaning of Article XIII A of the California Constitution and Sections 93(a) and 97.65(a) of the Revenue and Taxation Code.

For Fiscal Year 2026-2027, the proposed resolution determines that the minimum amount necessary to be raised by taxation for payment of the Agency's State Water Contract indebtedness is \$36,805,208.00 and fixes a tax rate of 0.066970 percent of assessed valuation of all taxable property within the Agency. This proposed tax rate is 5% lower than the Fiscal Year 2025-2026 tax rate.

The proposed tax rate would be certified to Los Angeles County, Kern County, and Ventura County for levy throughout the Agency for State Water Contract purposes. The resolution further finds that the Agency relies first, to the extent feasible, on water sales revenues and charges to meet State Water Contract obligations, but that such revenues are projected to be insufficient to meet the Fiscal Year 2026-2027 State Water Contract payments.

Supporting Documents:

- Resolution No. R-26-17 determining, certifying, and directing 2026-2027 tax levies in Los Angeles, Kern, and Ventura Counties pursuant to Section 79 of the Agency Act

RESOLUTION NO. R-26-17

RESOLUTION OF THE BOARD OF DIRECTORS OF ANTELOPE VALLEY-EAST KERN WATER AGENCY DETERMINING, CERTIFYING AND DIRECTING 2026-2027 TAX LEVIES IN THE COUNTIES OF LOS ANGELES, KERN AND VENTURA, PURSUANT TO SECTION 79 OF THE AGENCY ACT.

WHEREAS, Section 79 of the Agency's enabling act provides that this Board of Directors shall determine the amounts of money necessary to be raised by taxation during the fiscal year and shall fix the rate or rates of taxes to be levied which will raise the amounts of money required by the Agency and within a reasonable time previous to the time when the Boards of Supervisors of Los Angeles, Kern and Ventura Counties are required by law to fix their respective tax rates, the Board of Directors shall certify to such Boards of Supervisors the rates so fixed and shall furnish a statement in writing of any delinquent and unpaid charges for water and other service, or either, requested in writing by the owners of the property that remain delinquent and unpaid for sixty (60) days or more on July 1st; and

WHEREAS, these general provisions of law have been amended in part by statutes enacted in response to the passage of Proposition 13 in June, 1978 (Article XIII A of the California Constitution); and

WHEREAS, Section 93 of the Revenue and Taxation Code limits the ability of the Agency to levy ad valorem taxes except for that amount which is equal to the amount needed to make annual payments for the interest and principal on general obligation bonds or other indebtedness approved by the voters prior to July 1, 1978; and

WHEREAS, Chapter 6, Part 0.5 of the Revenue and Taxation Code (Section 95, et seq.) provides that for other purposes of local government, the Counties shall levy an ad valorem property tax equal to one per cent of assessed valuation, and the revenues from such tax shall be distributed to local agencies in accordance with the provisions of said Chapter 6; and

WHEREAS, this Agency has incurred an indebtedness to the State of California pursuant to its Water Supply Contract dated September 20, 1962, and prior to July 1, 1978, such indebtedness was approved by the voters within the meaning of Article XIII A of the California Constitution and Sections 93(a) and 97.65(a) of the Revenue and Taxation Code;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of Antelope Valley-East Kern Water Agency as follows:

1. The Board does hereby determine that the minimum amount necessary to be raised by taxation during the Fiscal Year 2026-2027 for payment of the indebtedness owed to the State of California pursuant to the Water Supply Contract of the Agency, dated September 20, 1962 is \$36,805,208.00 and does hereby fix a tax rate of .066970 percent of assessed valuation of all taxable property within the Agency.

LOS ANGELES COUNTY

2. The Board does hereby certify to the Board of Supervisors of the County of Los Angeles that for the Fiscal Year 2026-2027, it has fixed the tax rates to be levied, which will raise the amounts of money required by the Agency, and each improvement district thereof as follows:

- (a) In the whole Agency for the State Water Contract - .066970%

The Board of the Agency does hereby direct that the Board of Supervisors of the County of Los Angeles, at the time and in the manner required by law for levying of taxes for County purposes, and in addition to such other taxes as may be levied by the Board of Supervisors, shall levy for the Fiscal Year 2026-2027 taxes for the Agency at the rates shown above.

KERN COUNTY

3. The Board does hereby certify to the Board of Supervisors of the County of Kern that for the Fiscal Year 2026-2027, it has fixed the tax rates to be levied, which will raise the amounts of money required by the Agency, as follows:

- (a) In the whole Agency for the State Water Contract - .066970%

The Board of the Agency does hereby direct that the Board of Supervisors of the County of Kern, at the time and in the manner required by law for levying of taxes for County purposes, and in addition to such other taxes as may be levied by the Board of Supervisors, shall levy for the Fiscal Year 2026-2027 taxes for the Agency at the rates shown above.

VENTURA COUNTY

4. The Board does hereby certify to the Board of Supervisors of the County of Ventura that for the Fiscal Year 2026-2027, it has fixed the tax rates to be levied, which will raise the amounts of money required by the Agency, as follows:

- (a) In the whole Agency for the State Water Contract - .066970%

The Board of the Agency does hereby direct that the Board of Supervisors of the County of Ventura, at the time and in the manner required by law for levying of taxes for County purposes and in addition to such other taxes as may be levied by the Board of Supervisors, shall levy for the Fiscal Year 2026-2027 taxes for the Agency at the rates shown above.

5. The determination of the amount necessary to be raised by taxation which is set forth in paragraph 1 of this Resolution shall constitute the statement in writing required to be filed with the Boards of Supervisors pursuant to Section 79 of the Agency's enabling act. The tax rate set herein is fixed pursuant to said Section 79 and Sections 93(a) and 97.65(a) of the Revenue and Taxation

Code. Placement of these taxes on the 2026-2027 tax roll complies with the provisions of Articles XIIIIC and XIID of the California Constitution.

6. In meeting the obligations due under its State Water Contract, the Agency relies first and to the extent feasible upon revenues derived from rates and charges made for the sale of water delivered pursuant to such Contract. However, the Board does hereby find and determine that such revenues are and will be insufficient to meet the payments due under the State Water Contract during the Fiscal Year 2026-2027 and that it is necessary to levy the tax rate fixed hereunder in order to make such payments. The tax rate for this purpose does not constitute a decrease in the Agency's reliance upon water rates and charges in order to make its required payments to the State; nor have the rates charged for water been reduced to affect a property tax rate increase.

7. The Secretary of the Agency is hereby directed to transmit certified copies of this Resolution to the Board of Supervisors of the County of Los Angeles, to the Board of Supervisors of the County of Kern, and to the Board of Supervisors of the County of Ventura; one copy thereof to the County Auditor-Controller of the County of Los Angeles; one copy thereof to the County Auditor-Controller of the County of Kern; one copy thereof to the County Auditor-Controller of the County of Ventura; and one copy thereof to the Auditor of the Antelope Valley-East Kern Water Agency.

ADOPTED this 21st day of July, 2026.

President, Board of Directors of
Antelope Valley-East Kern Water Agency

ATTEST:

Secretary of the Board of Directors of
Antelope Valley-East Kern Water Agency

STATE OF CALIFORNIA :

:

COUNTY OF LOS ANGELES :

I, HOLLY HUGHES, Board Secretary-Treasurer of the Antelope Valley-East Kern Water Agency, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of said Agency at a regular meeting of said Board duly held and convened on the 21st of July, 2026, at which meeting more than a quorum of said Board was present and acting throughout, and that said resolution has not been amended or repealed.

Dated this 21st day of July, 2026.

HOLLY H. HUGHES, Secretary-
Treasurer of the Antelope Valley-East
Kern Water Agency and of the Board
of Directors thereof

(SEAL)

RECOMMENDED BOARD ORDER 8(b-2)

To the Board of Directors

FOR BOARD ACTION

ADOPTION OF RESOLUTION NO. R-26-18
APPROVING A REVISED AGENCY RESERVE POLICY

The Board of Directors adopted the following board order on July 21,
2026:

To approve Resolution No. R-26-18, adopting a revised Agency
Reserve Policy and approving the amended Reserve Fund Policy attached as
Exhibit A, as presented and recommended.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(b-2)

07-21-26



Date: July 21, 2026
To: Board of Directors
From: Matthew Knudson, General Manager *mk*
Teresa Yates, Finance Manager

Agenda Item: 8(b-2)

Subject: **Consideration and possible action on Resolution No. R-26-18; Adopting a Revised Agency Reserve Policy**

Recommendation:

Staff and the Finance Committee recommend that the Board:

Approve Resolution No. R-26-18 adopting a revised Agency Reserve Policy and approving the amended Reserve Fund Policy attached as Exhibit A.

Background:

The Agency adopted its Reserve Policy pursuant to Resolution No. R-18-103 on October 23, 2018. The policy established designated reserve funds to support the Agency's ongoing operations, capital improvement and replacement needs, drought contingency planning, State Water Project obligations, and post-employment benefit liabilities.

The proposed resolution revises the Reserve Policy with respect to the State Water Contract Reserve. The revision is intended to align the reserve target with the Agency's annual budgeted State Water Project costs and maintain sufficient resources to address fluctuations or unanticipated State Water Project-related expenses.

Under the revised policy, the State Water Contract Reserve will be funded and maintained at not less than 100 percent and not more than 200 percent of annual budgeted State Water Project costs. The proposed amendment does not change the existing Operating Reserve, Drought Contingency Reserve, Capital Improvement and Replacement Reserve, or Post-Employment Benefit Liability Reserve categories.

The Board will continue to review reserve purposes and target levels in conjunction with adoption of the Agency's annual budget.

Supporting Documents:

- Resolution No. R-26-18 adopting a revised Agency Reserve Policy
- Exhibit A – Antelope Valley-East Kern Water Agency Reserve Fund Policy

ANTELOPE VALLEY-EAST KERN WATER AGENCY

RESOLUTION NO. R-26-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY ADOPTING A REVISED AGENCY RESERVE POLICY

WHEREAS, the Antelope Valley-East Kern Water Agency (the “Agency”) is organized and operates pursuant to the Antelope Valley-East Kern Water Agency Law (California Water Code Appendix, Chapter 98); and

WHEREAS, this Agency is engaged in the treatment and delivery of California State Water Project Water and the operations and maintenance of the Agency’s conveyance and treatment facilities which will continue into the future, to be funded from annual operating revenues and the Agency’s fair share of the general tax levy; and

WHEREAS, this Board believed that it would be prudent fiscal management to establish an Agency Reserve Policy to identify, for use as needed, certain reserve funds to help fund expenditures in any year which may exceed the amount of income which may be available for that purpose in any year; and

WHEREAS, this Board established an Agency Reserve Policy pursuant to Resolution R-18-103 on October 23, 2018; and

WHEREAS, this Board believes that it would be prudent fiscal management to revise its Agency Reserve Policy in light of the fluctuating State Water Project water allocation cycles and related financial obligations; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Antelope Valley-East Kern Water Agency hereby adopts the Revised Agency Reserve Policy attached hereto as Exhibit “A” and incorporated herein by reference, which constitutes a complete and restated statement of the Agency’s Reserve Policy as amended by this Resolution; and

BE IT FURTHER RESOLVED that the Agency Reserve Policy is being revised only with respect to the State Water Contract Reserve, which may be used as needed to satisfy the annual financial obligations related to the Agency’s state water project costs, and shall be funded and maintained in an amount equal to no less than one hundred percent of annual budgeted state water project costs and no more than two hundred percent of annual budgeted state water project costs.

BE IT FURTHER RESOLVED that the Agency Reserve Policy established as of October 23, 2018 by Resolution R-18-103 remains in full force and effect, except as expressly amended above with respect to the State Water Contract Reserve, and the following reserve categories, purposes, and target funding levels continue to apply and shall be used in accordance with their stated purposes:

Operating Reserve – no less than twelve months of annual budgeted operating expenses and no more than twelve months of annual budgeted operating expenses.

Drought Contingency Reserve – no less than seven percent of annual budgeted water sales revenue and no more than twenty percent of annual budgeted water sales revenue.

Capital Improvement & Replacement Reserve – no less than year 1 costs in the Agency’s capital improvement & replacement plan and no more than total costs (5 years) in the Agency’s capital improvement & replacement plan.

Post-Employment Benefit Liability (OPEB) Reserve – no less than one hundred percent of the OPEB liability amount as determined by most recent actuarial study and no more than one hundred percent of the OPEB liability amount as determined by most recent actuarial study.

BE IT FURTHER RESOLVED that if, based on the targets set forth herein, the aggregate of all reserve target minimums would be less than two hundred percent of the Agency’s annual operating expenditures, the aggregate reserve target minimum shall be two hundred percent of such annual operating expenditures; and

BE IT FURTHER RESOLVED that in conjunction with the adoption of the Agency’s annual budget, this Board shall review each reserve’s purpose and target levels, and may modify targets by resolution as warranted; and

BE IT FURTHER RESOLVED that in preparing the Agency’s annual budget for consideration by this Board, the Agency’s General Manager shall provide for the appropriation of money to replenish the Reserves to maintain the fund balances approved herein.

This resolution shall take effect immediately upon its passage.

PASSED and ADOPTED this ____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

President of the Board of Directors of the Antelope
Valley-East Kern Water Agency

ATTEST:

Secretary of the Board of Directors of the
Antelope Valley-East Kern Water Agency

I, HOLLY H. HUGHES, Secretary of the Board of Directors of Antelope Valley-East Kern Water Agency certify that the foregoing is a full, true and correct copy of Resolution No. R-26-18, adopted by said Board at its regular meeting of _____, 2026, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Holly H. Hughes, Secretary

Exhibit “A”

Antelope Valley-East Kern Water Agency Reserve Fund Policy

As part of its mission to secure and deliver an affordable water supply, now and in the future, Antelope Valley-East Kern Water Agency (the Agency) has established the following Reserve policy. This policy establishes a comprehensive framework for the creation, maintenance, and use of reserve funds.

This policy ensures the Agency has sufficient funds to meet current and future needs and to designate specific reserve funds and identify minimum fund requirements. The Board will review these funds and reevaluate the policy during the annual budget process. For purposes of compliance with this policy, the Agency may use the amounts in each of the funds as of the final day of each fiscal year for such calculation.

The Reserve Funds will be recorded in the financial records as Designated Reserves and may be commingled with the general cash and investment accounts of the Agency. The Board of Directors retains final authority to authorize the use and/or transfer of these designated Reserve Funds.

Purpose

The purpose of the Reserve Fund policy is to support the mission and ongoing operations of the Agency and to establish and maintain reserve funds to meet Agency priorities such as operations, capital improvement and replacement, debt service obligations and unforeseen expenses.

The Reserve Fund policy will be implemented as part of the Agency’s comprehensive financial plan which includes the Capital Improvement Plan, the Five Year Financial Plan and the Annual Operating Budget and supports the goals and strategies contained in these related plans. The policy shall be fully integrated with and aligned to the Agency’s Capital Improvement Plan, Five-Year Financial Plan, and Annual Operating Budget.

Definitions

1. Operating Reserve

The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, and other unforeseen expenses including emergencies and unexpected financial needs. The amount in this reserve will be established in an amount sufficient to maintain ongoing operations for a set period of time.

Exhibit “A”

Antelope Valley-East Kern Water Agency

Reserve Fund Policy

Reserve Levels

The target minimum and maximum Operating Reserve Fund is equal to twelve months of the Agency’s budgeted total operating expenses. Depreciation and other non-cash expenses are not included in the calculation.

Funding Source

The Operating Reserve Fund will be funded with surplus operating funds generated through Agency operations, primarily water sales.

Use of Fund

Funds from the Operating Reserve Fund shall be used for operating expenses of the Agency.

2. Drought Contingency Reserve

The Drought Contingency Reserve Fund is designated to supplement shortages in water sales revenue resulting from impacts of drought conditions, State or Federal mandated reductions in supply, or unforeseen events.

Reserve Levels

The target minimum balance for the Drought Contingency Reserve Fund is equal to seven percent of the annual budgeted water sales revenue and a maximum target amount equal to twenty percent of the annual budgeted water sales revenue.

Funding Source

The Drought Contingency Reserve Fund will be funded with surplus operating funds generated through Agency operations, primarily water sales.

Use of Fund

Funds from the Drought Contingency Reserve Fund may be used to cover operating expenses when water sales revenue does not meet the cost of providing services due to losses resulting from the conditions mentioned above.

3. Capital Improvement and Replacement Reserve

The Capital Improvement and Replacement Reserve Fund is intended to provide for current and future funding needs of various Agency capital projects and to minimize debt borrowing and interest expenses. The Agency’s Capital Improvement Plan will be used to determine the target amounts for the Capital Improvement and Replacement Reserve Fund.

Exhibit “A”

Antelope Valley-East Kern Water Agency

Reserve Fund Policy

Reserve Levels

Funding for the Capital Improvement and Replacement Reserve Fund shall be targeted at a minimum amount equal to year one costs of the approved projects in the Capital Improvement Plan. The maximum target for this reserve shall be the total costs for five years of the approved projects in the Capital Improvement Plan.

Funding Source

The Capital Improvement and Replacement Reserve Fund will be funded with surplus operating funds generated through Agency operations, primarily water sales. The Agency may incur debt and other financial obligations to satisfy the minimum fund level.

Use of Fund

The Board of Directors will approve the Agency’s Capital Improvement Plan on an annual basis during the annual budget process. The plan will include approved projects to be constructed, replaced, upgraded and/or repaired for which the Capital Improvement and Replacement Reserve Fund shall be used.

4. State Water Contract Reserve

The amount in the State Water Contract Reserve Fund is designated by the Board of Directors to maintain a reserve for current operating and State Water Contract costs in the event of significant fluctuations in or unexpected State Water Contract costs. The State Water Contract Reserve Fund is intended to accumulate and supplement, if necessary, property tax assessments and special water taxes the Agency receives for use in meeting State Water Contract costs.

Reserve Levels

Funding for the State Water Contract Reserve Fund shall be targeted at a minimum amount equal to one hundred percent of the Agency’s budgeted annual state water project costs and a maximum targeted amount of two hundred percent of the Agency’s budgeted annual state water project costs.

Funding Source

The State Water Contract Reserve Fund will be funded with property tax assessments and special water taxes collected by the Agency.

Use of Fund

Funds from the State Water Contract Reserve Fund may be used to cover State Water Project expenses given significant fluctuations of costs or unanticipated expenses related to the State Water Project.

Exhibit “A”

Antelope Valley-East Kern Water Agency Reserve Fund Policy

5. Post-Employment Benefit Liability (OPEB) Reserve

The amount in the Post-Employment Benefit Liability Reserve Fund is designated by the Board of Directors to maintain a reserve for the total current OPEB liability based on the most recent actuarial study in accordance with GASB 74/75. This liability represents the Agency’s obligation to provide post-employment benefits to current and future retirees.

Reserve Levels

Funding for the Post-Employment Benefit Liability Reserve Fund shall be targeted at a minimum and maximum amount equal to 100 percent of the total liability as determined by the Agency’s current actuarial study.

Funding Source

The Post-Employment Benefit Liability Reserve Fund will be funded with surplus operating funds generated through Agency operations, primarily water sales.

Use of Fund

Funds from the Post-Employment Benefit Liability Reserve Fund may be used to cover expenses related to providing post-employment benefits as described in the Board approved Agency Employee handbook.

RECOMMENDED BOARD ORDER 8(b-3)

To the Board of Directors

FOR BOARD ACTION

**ADOPT RESOLUTION NO. R-26-20, APPROVING THE FISCAL YEAR
2026-2027 ANNUAL BUDGET**

The Board of Directors adopted the following board order on
July 21, 2026:

To Adopt Resolution No. R-26-20, approving the Fiscal Year 2026-2027
Annual Budget as prepared by staff and approved by the **BOARD OF
DIRECTORS**.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(b-3)

08-21-26



**Antelope Valley-East Kern
Water Agency**

ACTION ITEM

Date: July 21, 2026
To: Board of Directors
From: Matthew Knudson, General Manager *M.K.*
Teresa Yates, Finance Manager

Agenda Item: 8(b-3)

Subject: Consideration and possible action on Resolution No. R-26-20 Adopting Budget for Fiscal Year 2026-2027

Recommendation:

Staff and the Finance Committee recommend that the Board approve Resolution R-26-20 to adopt the Agency's annual budget for fiscal year 2026-2027.

Background:

The Agency adopts an annual budget for its fiscal year ending June 30th based on certain assumptions and anticipated revenues and expenditures. The fiscal year 2026-2027 budget is based on 40,000 AF of anticipated water deliveries to customers and the anticipated expenses to meet that demand as well as a 3% adjustment to the water rate. The budget also includes a financial summary for budgeted capital expenditures for capital asset projects and replacements, IT equipment and projects, debt principal payments and water deliveries for banking.

The fiscal year 2026-27 budget results in net revenue of \$8,964,092 which will fund reserves and capital expenditures.

Supporting Documents:

- Resolution No. R-26-20 adopting its budget for fiscal year 2026-27
- Attachment A – Fiscal Year 2026-27 Budget
- Attachment B – Fiscal Year 2026-27 Financial Summary

RESOLUTION NO. R-26-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY ADOPTING ITS BUDGET FOR FISCAL YEAR 2026-27

WHEREAS, the Antelope Valley-East Kern Water Agency has determined that the Agency shall annually adopt a budget; and

WHEREAS, the Board of Directors has reviewed the Fiscal Year (FY) 2026/27 Budget, including the Operating and Non-Operating Budget and Capital Expenditures.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Antelope Valley-East Kern Water Agency hereby:

1. Adopts the FY 2026/27 Budget (Attachment A).
2. Appropriates the Capital Expenditures, Debt Principal Payments, and Water Banking Expenditures for FY 2026/27 as shown in the Financial Summary (Attachment B).
3. Authorizes the General Manager to adjust the allocations within expenditure categories, provided however, the total appropriations for the entire fund do not exceed the amounts approved in this budget resolution.

President, Board of Directors of
Antelope Valley-East Kern Water Agency

I, the undersigned, hereby certify: That I am the duly appointed and acting Secretary of the Antelope Valley-East Kern Water Agency, and that at a special meeting of the Board of Directors of said Agency held on July 21, 2022, the foregoing Resolution No. R-22-20 was duly and regularly adopted by said Board, and that said resolution has not been rescinded or amended since the date of its adoption, and that it is now in full force and effect.

DATED: July 21, 2026

Secretary of the Board of Directors of
Antelope Valley-East Kern Water Agency

Antelope Valley-East Kern Water Agency
Budget
Fiscal Year 2026/27

		2025-2026 Budget	3% Rate Increase 2026-2027 Budget	% Change
OPERATING REVENUES				
4100	Water Sales	\$ 32,400,000	\$ 33,367,000	3%
4200	Water Banking Sales	\$ -	\$ -	0%
4300	Water Transfers/Exchanges	\$ 3,221,000	\$ 2,727,300	-15%
4900	HDWB Reimbursements & Fees	\$ 100,000	\$ 100,000	0%
4400	Property Tax Revenues - 1%	\$ 6,880,150	\$ 7,100,150	3%
	Total Operating Revenues	\$ 42,601,150	\$ 43,294,450	2%
OPERATING EXPENSES				
5000	Water Purchases	\$ 11,228,000	\$ 11,413,000	2%
5100	Water Delivery & Treatment	\$ 3,503,900	\$ 3,544,800	1%
5200	Maintenance & Supplies	\$ 1,780,750	\$ 1,807,050	1%
5300	Fees & Services	\$ 3,896,150	\$ 4,118,453	6%
5400	Travel & Transportation	\$ 503,800	\$ 498,800	-1%
5500	Personnel Expense	\$ 10,387,555	\$ 10,501,255	1%
5600	Other Expense	\$ 95,000	\$ 95,000	0%
5700	Depreciation	\$ 9,200,000	\$ 10,000,000	9%
	Total Operating Expenses	\$ 40,595,155	\$ 41,978,358	3%
NON-OPERATING REVENUES				
4400	Property Tax Revenues - DS Voter Approved	\$ 39,600,000	\$ 40,740,000	3%
4500	Investment Income	\$ 3,835,000	\$ 4,020,000	5%
4600	Other Income	\$ 1,418,000	\$ 1,425,000	0%
4700	Lab Income	\$ 65,000	\$ 65,000	0%
	Total Non-Operating Revenues	\$ 44,918,000	\$ 46,250,000	3%
NON-OPERATING EXPENSES				
5800	State Water Contract	\$ 36,270,000	\$ 37,395,000	3%
5900	Bond Interest	\$ 1,740,000	\$ 1,207,000	-31%
	Total Non-Operating Expenses	\$ 38,010,000	\$ 38,602,000	2%
	Total Revenues	\$ 87,519,150	\$ 89,544,450	2%
	Total Expenses	\$ 78,605,155	\$ 80,580,358	3%
	Net Revenue	\$ 8,913,995	\$ 8,964,092	

**Antelope Valley-East Kern Water Agency
Financial Summary
Fiscal Year 2026-27**

The following summarizes the budgeted financial activity for fiscal year 2026-27.

	<u>Fiscal Year 26/27</u>
Beginning Cash Reserve Balance at 6/30/26	\$ 182,003,792
 add: 2026/27 Net Revenue to Reserves	 \$ 8,964,092
2026/27 Depreciation	\$ 10,000,000
 less: 2026/27 Capital Budget Expenditures	 \$ (33,525,000) ¹
2026/27 IT Budget Expenditures	\$ (800,000) ²
2026/27 Debt Principal Payments	\$ (2,885,000) ³
Agency Water Banking	\$ (10,000,000) ⁴
 Estimated Cash Reserve Balance at 6/30/27	 <u>\$ 153,757,884</u>

¹ Capital expenditures include \$7,525,100 in aging infrastructure projects and building repairs and improvements, \$2.5M for asset replacement projects and \$3.5M for project design work and new projects.

² IT expenditures for the fiscal year include aging IT equipment replacement and SCADA system upgrades.

³ Debt Principal payments due in fiscal year 2026-27 are \$765K for 2017 Clean Renewable Energy Bonds and \$2.12M for 2026A Refunding Bonds.

⁴ The Agency is budgeting \$10M for State Water Project deliveries to be banked at AVEK water banking facilities during the 2026-27 fiscal year. This capitalized cost will be expensed when the banked water is recovered and delivered to customers.

RECOMMENDED BOARD ORDER 8(c-1)

To the Board of Directors

FOR BOARD ACTION

**PROVIDE GUIDEANCE/CONSENSUS TO THE WATERMASTER
REPRESENTATIVE FOR MEETING AGENDA OF 07/22/26**

The Board of Directors adopted the following board order on July 21, 2026:

To review and provide guidance for AVEK's Watermaster Representative for
the AV Watermaster Meeting agenda of 07/21/26.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(c-1)

07-21-26



Date: July 21, 2026
To: Board of Directors
From: Matthew Knudson, General Manager *M.K.*
Kyle Wright, Water Resource Planner

Agenda Item: 8(c-1)

Subject: Provide Guidance to AVEK Representative for Antelope Valley Watermaster Meeting and Agenda for the July 22, 2026 Watermaster Board Meeting

Recommendation:

Staff requests that the Board review and provide guidance for AVEK's Representative on the following items shown on the AV Watermaster Board meeting agenda on July 22, 2026:

Agenda Items:

Public Hearing to consider approval of the Antelope Valley Watermaster 2025 Annual Report.

At the June 24, 2026 meeting, the Watermaster Engineer gave a presentation to the Watermaster Board on the Draft 2025 Annual Report and received public comments. The Watermaster Board voted to hold a Public Hearing for the 2025 Annual Report at the July 22, 2026 meeting.

The Watermaster Engineer will provide another presentation to the Board and public on the Revised Draft 2025 Annual Report and receive any additional public comments. The Revised Draft incorporates edits to account for new Production Reports, New Production and Transfer applications received after June 9th, and adjustments due to accounting discrepancies identified by Parties.

2025 marks the 10th year since the Final Judgement in 2015 and third year since the end of Rampdown. Total groundwater production in 2025 was 69,240 acre-feet (AF), which is below the Native Safe Yield of 82,300 acre-feet per year (AFY). AVEK, PWD and LCID imported a combined total of 95,081 AF of State Water Project water into the Basin, and 60,092 AF was recharged at groundwater storage facilities within the Basin.

Long-term hydrographs and water level contour maps indicate that water levels have either stabilized or the rates of decline have decreased in recent years. A positive change of 38,198 AF in groundwater volume was calculated for 2025, with a total change in volume of 183,091 AF from 2016-2025.

Following closure of the Public Hearing, the Watermaster Board will consider approval of the 2025 Annual Report.

Applications:

New Production Applications

	Applicant	Amount	Description
a.	H Gaskell West 2 LLC	0.30 AFY (West Antelope Subarea) -250 th St. West & Ave. A	-Domestic use for a 528 Sq Ft office restroom. -Engineer finds negligible Material Injury.
b.	Kermit Pemberton	0.25 AFY (Central Antelope Subarea) -70 th St West & Ave. G	-2,000 Sq Ft storage building with ½ bathroom. -Twelve trees and 3,700 Sq Ft of drought-tolerant landscaping on a 4.66 acre lot. -In an area with less than 1.2 inches of subsidence since 2015. -Engineer finds negligible Material Injury.
c.	David Ramirez Avila	1.50 AFY (Central Antelope Subarea) -97 th St West & Ave. I	-Single family residence with irrigated landscaping for approximately 100 trees and farm animals. -In an area that has not experienced subsidence since 2015. -Engineer finds negligible Material Injury.

*All approved unanimously by the Advisory Committee

Non-Production Well Applications

	Applicant	Subarea	Description
a.	Mission Linen Supply (2 monitoring wells- DE-03 and DE-04	Central Antelope Subarea - West Lancaster Blvd. & Yucca Ave.	- Used to extract contaminated groundwater and to locally depress the shallow groundwater table to expose the vadose zone, thereby enhancing soil vapor extraction of the contaminants of concern. - Anticipated to operate for remedial testing purposes from late September through the end of 2026. - Testing is intended to evaluate the effectiveness of the proposed remediation technology and determine feasibility of full-scale implementation. - Groundwater extraction is expected to be less than 0.25 AFY and is not subject to a Material Injury analysis under the Judgement.

*Both approved unanimously by the Advisory Committee

Attachments:

- AV Watermaster Board Agenda 07.22.26

Antelope Valley Watermaster Board
Regular Board Meeting Agenda
July 22, 2026 – 10:00 a.m.
Location: Antelope Valley – East Kern Water Agency
6450 West Avenue N, Palmdale, CA 93551
TELECONFERENCE LOCATION: 110 Gemsbocks Rd., Hutto, TX 78634

Website: <https://zoom.us/j/687127281> **Teleconference: (669) 900-6833 Access Code: 687 127 281**

This meeting may be recorded

- 1) **Call to Order**
- 2) **Pledge of Allegiance**
- 3) **Roll Call:**

BOARD OF DIRECTORS:

Robert Parris, AVEK Representative – Chairperson
Kathy MacLaren, Public Water Supplier Representative – Vice-Chairperson
Carolina Hernandez, Los Angeles County Waterworks District 40 Representative
Derek Yurosek, Landowner Representative
Angelica Martin, Landowner Representative

Angel Fitzpatrick, Administrator
Arden Wells, Engineer – Todd Groundwater
Craig Parton, General Counsel – Price, Postel & Parma LLP
Cameron Goodman, General Counsel – Price, Postel & Parma LLP

- 4) **Adoption of the Agenda** *(Note: At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.)*
- 5) **Public comments for non-agenda items** *(This portion of the agenda allows an individual the opportunity to address the Board on any item regarding Watermaster business that is NOT ON THE AGENDA. Without acting or entering a dialogue with the public, Board members may ask clarifying questions about topics posed by the public. Your matter may be referred to the administrator and/or advisory committee.)*
- 6) **Consent Agenda** *(Staff Report: Administrator)*

Item	Description	Page
a.	Financial Report month ending June 2026	4
b.	Payment of Bills through July 9, 2026	13
c.	Minutes of June 24, 2026, Board Meeting	25

- 7) **Advisory Committee Report** *(Advisory Committee Chair LaMoreaux)*

Item	Description	Page
a.	Advisory Committee Written Report	30

- 8) **Antelope Valley Watermaster 2025 Annual Report Presentation** *(Staff Report: Engineer)*

Item	Description	Page
a.	Antelope Valley Watermaster 2025 Annual Report Presentation	n/a

- 9) **Public Hearing to consider approval of the Antelope Valley Watermaster 2025 Annual Report** *(Staff Report: Engineer)*

Item	Description
a.	Opening of the Public Hearing
b.	(i) Watermaster Engineer's Comments (ii) Advisory Committee Comments

	(iii) Public Comments
	(iv) Board Comments
c.	Closing of the Public Hearing

10) Consideration and possible action to approve Resolution R-26-39 to approve the Antelope Valley Watermaster 2025 Annual Report (Staff Report: Engineer)

Item	Resolution	Description	Page
a.	R-26-39	Resolution to approve the Antelope Valley Watermaster 2025 Annual Report	35

11) Presentation of 2026 Second Quarter Year-to-Date Budget Review (Staff Report: Administrator)

Item	Description	Page
a.	Memorandum: 2026 Second Quarter Year-to-Date Budget Review	37

12) Consideration and possible action on New Production Application(s) (Staff Report: Engineer)

Item	Resolution	Description	Page
a.	R-26-40	HA Gaskell West 2 LLC .3 AFY	41
b.	R-26-41	Kermit Pemberton .25 AFY	85
c.	R-26-42	David Ramirez Avila 1.5 AFY	114

13) Consideration and possible action on Non-Production Well Application(s) (Staff Report: Administrator)

Item	Resolution	Description	Page
a.	R-26-43	Mission Linen Supply (2 monitoring well applications DE-03 and DE-04)	143

14) Administrator's Report

Item	Description
a.	Update on Landowner Elections
b.	Update on Administrative Activities

15) Watermaster Engineer's Report

Item	Description	Page
a.	Summary of New Production and Qualified Small Pumpers	164
b.	Storage and Recovery Agreement Update	n/a

16) General Counsel's Report

Item	Description
a.	Update on General Counsel Activities

17) Members' Request for Future Agenda Items

18) Closed Session, Conference with Legal Counsel

Item	Description
a.	CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)] Watermaster v. Zamrzla Parties
b.	CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)] Watermaster Matter with Antelope Valley Resource Conservation District
c.	CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Initiation of litigation pursuant to Government Code Section 54956.9(d)(4): 6 potential cases
d.	CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(41): Watermaster v. Annette and Bennie Moore

19) Closed Session Report

20) Adjournment – August 26, 2026

RECOMMENDED BOARD ORDER 8(d-1)

To the Board of Directors

FOR BOARD ACTION

ADOPT RESOLUTION R-26-21
CONSOLIDATION OF DIRECTOR ELECTION
WITH GENERAL ELECTION OF
NOVEMBER 3, 2026 FOR DIVISION 1 IN VENTURA COUNTY

The Board of Directors adopted the following board order on July
21, 2026:

That **RESOLUTION No. R-26-21**, requesting **consolidation of
Director Election of said Division 1 with the State General Election**
on **November 3, 2026**, in **Ventura County** be adopted.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(d-1)

07-21-26

RESOLUTION NO. R-26-21

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF VENTURA TO PERMIT THE REGISTRAR-RECORDER/COUNTY CLERKS TO RENDER ELECTION SERVICES FOR AN ELECTION OF SAID DIVISION 1 OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY TO BE HELD AT THE TIME OF THE STATE GENERAL ELECTION ON NOVEMBER 3, 2026

WHEREAS, the California Elections Code permits special districts electing governing board members to call an election;

WHEREAS, an election in the County of Ventura is to be held on Tuesday, November 3, 2026, for the purpose of electing one member of the Board of Directors of said Antelope Valley-East Kern Water Agency; and

WHEREAS, the Board of Directors believes that it is desirable that said election be conducted with the General District Elections to be held on the same date and that within said Antelope Valley-East Kern Water Agency the precincts, polling places and election officers of the election be the same, and that the Registrar-Recorder/County Clerk of the County of Ventura canvass the returns of the election, be held in all respects as if there were only one election in the manner prescribed by section 10418 of the Elections Code.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE ANTELOPE VALLEY-EAST KERN WATER AGENCY HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

1. That an election is hereby called by the Board of Directors of the Antelope Valley-East Kern Water Agency to be held on November 3, 2026, for the purpose of electing Division 1 to the Board of Directors; and thereafter consolidating the statewide election on even years.
2. That pursuant to the requirements of Section 10403 of the Elections Code, the Board of Supervisors of the County of Ventura is hereby requested to consent and agree to conduct the Antelope Valley-East Kern Water Agency election with the Tuesday, November 3, 2026, Statewide General Election for the purpose of electing a member to the Board of Directors of said agency.
3. Said Registrar-Recorder/County Clerk is hereby authorized to canvass the returns of the Antelope Valley-East Kern Water Agency election.
4. Said Board of Supervisors is hereby requested to issue instructions to the Registrar-Recorder/County Clerk to take any and all steps necessary for the holding of said election.
5. Antelope Valley-East Kern Water Agency shall pay in full its pro rata share of the expenses for the conduct of the election.
6. Antelope Valley-East Kern Water Agency shall require each candidate to pay in advance their pro rata share of the printing, handling, and mailing costs of his statement as a condition to having it included in the voter's sample ballot pamphlet.
7. The word limit for a candidate's statement shall be 200 words.
8. If a tie vote makes it impossible to determine which of two or more candidates has been elected, the county elections official shall notify the candidates who have received the tie votes to appear before it either personally or by representative at the time and place designated by the governing body. The governing body shall, at that time and place, determine the tie by lot and the results thereof shall be declared by the governing body.
9. That the Executive Director is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Registrar-Recorder/County Clerk of the County of Ventura.

* * * * *

PASSED, APPROVED, AND ADOPTED, this 21st day of July, 2026.

ATTEST:

Secretary of the Board of Directors of the
Antelope Valley-East Kern Water Agency

President of the Board of Directors of the
Antelope Valley-East Kern Water Agency