



**ANTELOPE VALLEY-EAST KERN WATER AGENCY
ANTELOPE VALLEY-EAST KERN WATER AGENCY FINANCING AUTHORITY
MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
FEBRUARY 12, 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 Director Marlon Barnes.
- ITEM 3.** **ROLL CALL – MEMBERS PRESENT:**
Division 1 – Shelley Sorsabal (President)
Division 2 – Keith Dyas (Vice President)
Division 3 – Frank Donato
Division 4 – Justin Lane (present at 6:36 p.m.)
Division 5 – Robert Parris
Division 6 – Marlon Barnes
Division 7 – Gary Van Dam
- OFFICERS PRESENT:**
Dwayne Chisam, General Manager
Lee McElhaney, Attorney – Brunick, McElhaney, & Kennedy
Holly Hughes, Secretary-Treasurer
- NOTES:** **STAFF PRESENT:**
Matt Knudson, Jon Bozigian, Teresa Yates, and Pam Clark
- OTHERS PRESENT:**
John Joyce, Alisha Semchuck, Vincent Dino, Byron Glennan, Ben Stewart, Richard Gomez, Richard Babbe and others.

- ITEM 4.** **PUBLIC COMMENTS AND PERIOD OPEN TO THE PUBLIC:** There were no public comments heard from the floor.
- ITEM 5.** **NEW BUSINESS: ITEM(S) FOR COMMUNICATION AND POSSIBLE ACTION:**
There was no new business to discuss.
- ITEM 6.** **ITEM(S) FOR CONSIDERATION AND POSSIBLE ACTION**
- MIN** 6(a-1) Approve minutes of special Board meeting of December 18, 2018
ORDERED: On motion by Barnes, second by Parris, to approve the minutes of the special board meeting of December 18, 2018, as presented. **Voting: 6-0-1; Lane not present; Carried.**
- MIN** 6(a-2) Approve minutes of the regular Board meeting of January 8, 2019
ORDERED: On motion by Barnes, second by Parris, to approve the minutes of the regular board meeting of January 8, 2019, as presented. **Voting: 6-0-1; Lane not present; Carried.**
- F/C** 6(b-1) Presentation by PFM Consultants – 2nd Quarter of Fiscal Year 2018/2019 – Accept & File Report
[FD/SS/KD] Mr. Richard Babbe of PFM Consultants provided a presentation on AVEK's Investment Portfolio Review for the quarter ending December 31, 2018. He stated that our present strategy has served us well and now there is a different economic environment. Highlights included a market update; strategy and portfolio review; distributions, transactions, and holdings.
ORDERED: On motion by Donato, second by Barnes, to accept and file the PFM 2nd Quarter Report for Fiscal Year 2018/2019 as presented. **Voting: 7-0; Carried.**
- 6(b-2) Revenue and Expense Report for 2nd Quarter of Fiscal Year 2018/2019 – Accept & File Report. The board and staff reviewed the Quarterly Revenue and Expense Report for the quarter ending December 31, 2018. Year-to-Date actual compared to the 2018/2019 budget was compared in the categories of operating revenues, operating expenses, non-operating revenues, and non-operating expenses. Total revenues for the quarter were reported to be 59% of the annual budget, while total expenses were reported to be 46% of the annual budget.
ORDERED: On motion by Donato, second by Sorsabal, to accept and file the Revenue and Expense Report for the 2nd Quarter of Fiscal Year 2018/2019 as presented. **Voting: 7-0; Carried.**

6(b-3) Accept and file the Check Register List from January 17, 2019 through February 6, 2019

ORDERED: On motion by **Barnes**, second by **Lane**, to accept and file the check register list for the period of January 17, 2019 through February 6, 2019 [includes checks 75796V, 76092 through 76185 totaling \$1,088,574.95] as presented. **Voting: 7-0; Carried.**

6(b-4) Accept and file Treasurer's Report for month ending January 31, 2019

ORDERED: On motion by **Donato**, second by **Barnes**, to accept and file the Treasurer's Report for the month ending January 31, 2019, as presented. **Voting: 7-0; Carried.**

6(b-5) Purchase Order over \$25,000.00: Rebuild two QHWTP Moss Screens – Farm Pump & Irrigation - \$76,431.02. GM **Chisam** stated that the moss screens in question are 7 years old and are in need of repair in preparation for the coming summer months. Cost is \$76,431.02 for both to be rebuilt.

ORDERED: On motion by **Donato**, second by **Dyas**, to approve Purchase Order No. 19-0036 in the amount of \$76,431.02 payable to Farm Pump and Irrigation for the rebuilding of two QHWTP moss screens as presented and recommended. **Voting: 7-0; Carried.**

PLANNING 6(c-1) Status/Update > Meeting of 1/29/19

[KD/SS/RP] Committee Chair **Dyas** stated that there was no request for board action as a result of the meeting of January 29, 2019. He deferred to GM **Chisam** to report another item requested by the AVSWCA that corresponds with this committee.

6(c-2) AVSWCA Sponsorship of the 2019 Home Show/Smart Water Expo 3/22/19 to 3/24/19. GM **Chisam** stated that the previous year the Home Show was combined with the Expo event. The AVSWCA proposed a combined \$10k sponsorship. When AVEK participated in the EXPO, our share was in excess of \$25k. This is a budgeted item. Staff recommends participation with the AVSWCA for \$8,570. Director **Donato** expressed opposition with AVEK's share of the fee. It was stated that the amount was based on the Agency's Table A allocation. He asked that the contributions be reevaluated in the future.

ORDERED: On motion by **Barnes**, second by **Parris**, to authorize a contribution in the amount of \$8,570 to the Antelope Valley State Water Contractors Association (AVSWCA) for the 2019 SMART Water Expo in conjunction with the March 22-24, 2019 Home Show at the AV Fairgrounds as presented and recommended. **Voting: 7-0; Carried.**

ITEM 7. GENERAL MANAGER'S REPORT ON WATER SUPPLY, PROJECTS, AND PROGRAMS:

GM **Chisam** stated that Governor Gavin **Newsom** recently gave a "state of the State address" wherein he did not support the proposed twin tunnels, but a single tunnel. DWR will reanalyze and this will likely cause a 2-year delay. President **Sorsabal** also indicated that this subject was discussed at the recent CFEE Conference. A water tax is also on the table for discussion. Other legislative updates and key takeaways were also provided including new appointments.

State weather indicates that the drought conditions are improving. Total precipitation since January 1, 2019 is 19.4." Current storage in San Luis Reservoir is 1.82 million AF, which is 89% of total capacity. State Water Project draft of fishery regulations and biological opinions were reviewed. Initial Table A allocation of 10% was increased to 15%. Additional increases are anticipated in the coming weeks and are anticipated to be 35% to 50%. Statewide snowpack was reported to be 129% of average. Water deliveries for conventional treatment was at 9.4 MGD, with geopurification deliveries at 3.6 MGD. Total water deliveries were 13 MGD (40 AFD). Water Banking (SWP recharge and storage) for the Westside banking was 20 AFD and Eastside banking facility totaled 4.5 AFD for a total of 24.5 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, this is only required every 3 years. Quarterly compliance sampling was taken on 2/21/19. Recently promoted Laboratory Manager **Jordan Wray** was approved by ELAP (Environmental Laboratory Accreditation Program) as acting laboratory director. Upcoming events (conferences and meetings for the AV Board of Trade Business Outlook Conference, AV Watermaster, Urban Water Institute and CFEE Roundtable) were discussed along with the general manager's upcoming schedule.

7(a-1) Annual Water Supply Plan as of 2/12/19. GM **Chisam** highlighted and reviewed 2019 SWP allocation scenarios for AVEK supply vs. demand. The board thanked GM **Chisam** for this presentation.

ITEM 8. COMMITTEE MEETING RECAP REPORT FOR INFORMATIONAL PURPOSES ONLY

PERS/LGL 8(a-1) Status/Update > Meeting of 2/6/19. A closed session was deemed necessary for the item below and would be moved
[RP/SS/MB] to the end of the meeting.

8(a-2) Closed Session – Board Evaluation of Officers, pursuant to Government Code Section §54957

ITEM 9. DIRECTORS REPORTS: There were no reports given by any of the directors.

ITEM 10. ATTORNEY REPORT: There was no report given by Attorney **McElhaney**.

ITEM 11. CLOSED SESSION: It was declared that there was reason to go into closed session for Items 11(d) and 11(e), as well as Item 8(a-2).

ORDERED: On motion by **Parris**, second by **Barnes**, the meeting was adjourned to closed session at 7:45 p.m.; **Voting: 7-0; 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)

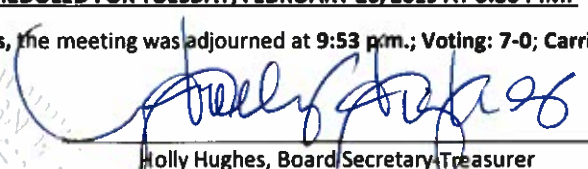
ORDERED: On motion by Parris, second by Barnes, the meeting was reconvened to open session at 9:45 p.m.; Voting: 7-0; Carried.

ITEM 12. CLOSED SESSION ANNOUNCEMENTS: Reportable action was taken as a result of closed session. Direction was giving to authorize staff to open Escrow for APN 3275-021-034.

ITEM 13. REQUEST FOR FUTURE AGENDA ITEMS: None.

ITEM 14. ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR TUESDAY, FEBRUARY 26, 2019 AT 6:30 P.M.

ORDERED: On motion by Lane, second by Parris, the meeting was adjourned at 9:53 p.m.; Voting: 7-0; Carried.


Holly Hughes, Board Secretary/Treasurer

APPROVED BY THE BOARD OF DIRECTORS:

Date

3/12/19


President