

**COMMISSIONERS**

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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*

October 7, 2021

***Agenda for the Regular Meeting of the Commissioners
of the Antelope Valley State Water Contractors Association***

to be held at 2029 East Avenue Q, Palmdale

or via video conference: <https://bit.ly/3ozcoKm> 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, October 14, 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 August 12, 2021.

- 6) Payment of bills.
- 7) Consideration and possible action on Resolution No. 2021-1 being a Resolution of the Board of Commissioners of the Antelope Valley State Water Contractors Association Authorizing Public Meetings to be held Via Teleconferencing Pursuant to Government Code Section 54953(e) and Making Findings and Determinations Regarding the Same. (Attorney Markman/General Manager Thompson II)
- 8) Presentation and possible action on sponsorship of the Antelope Valley Rural Museum. (Mr. Bill Rawling, AV Rural Museum Chairman/Resources Manager Barnes)
- 9) Presentation and discussion on finalization of the Big Rock Creek Joint Groundwater Recharge Project Feasibility Study. (Mr. Paul Chau, Kennedy Jenks/General Manager Thompson II)
- 10) Consideration and possible action on acceptance and filing of Audit for year ended June 30, 2020. (Controller Hoffmeyer)
- 11) Discussion and possible action on Association bank accounts. (Controller Hoffmeyer)
- 12) 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) Aqueduct Water Theft and Security Enforcement.
 - 5) Antelope Valley Home Show and Smart Water Expo.
- 13) Report of Controller.
 - a) Update on Revenue, Expenses and Change in Net Position.
- 14) Reports of Commissioners.
- 15) Report of Attorney.
- 16) Commission members' requests for future agenda items.
- 17) Consideration and possible action on scheduling the next Association meeting December 9, 2021.
- 18) Adjournment.

**ANTELOPE VALLEY
STATE WATER CONTRACTORS ASSOCIATION
COMMISSION MEMORANDUM**

DATE: October 6, 2021 **October 14, 2021**
TO: AVSWCA Commissioners **Commission Meeting**
FROM: Mr. James Markman, General Counsel
VIA: Mr. Peter Thompson II, General Manager
RE: ***AGENDA ITEM NO. 7 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 2021-1 BEING A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION AUTHORIZING PUBLIC MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(e) AND MAKING FINDINGS AND DETERMINATIONS REGARDING THE SAME. (ATTORNEY MARKMAN)***

Staff has placed this item on the agenda for consideration so that the Association can continue to meet virtually pursuant to AB 361’s special Brown Act requirements for teleconference meetings. These special requirements give local public agencies greater flexibility to conduct teleconference meetings when there is a declared state of emergency and either social distancing is mandated or recommended, or an in-person meeting would present imminent risks to the health and safety of attendees.

Recommendation:

Staff recommends that the Commissioners make the following findings so that meetings of the Association will be subject to the special Brown Act requirements for teleconference meetings: (1) the Association has reconsidered the circumstances of the COVID-19 state of emergency; and (2) state and local officials continue to recommend measures to promote social distancing.

Alternative Options:

The Commissioners can choose not to approve Resolution No. 2021-1.

Impact of Taking No Action:

Teleconference options for the Association’s publicly noticed meetings will end.

Background:

On March 4, 2020, Governor Newsom proclaimed a state of emergency to exist in California due to the spread of COVID-19. The Governor subsequently issued numerous executive orders suspending or modifying state laws to facilitate the response to the emergency. Among other things, these executive orders superseded certain Brown Act requirements and established special rules to give local public agencies greater flexibility to conduct teleconference meetings. Those special rules expired on September 30, 2021.

On September 16, 2021, in anticipation of then-imminent expiration of his special rules for teleconference meetings, the Governor signed AB 361. In key part, this bill amends the Brown Act to establish special requirements for teleconference meetings if a legislative body of a local public agency holds a meeting during a proclaimed state of emergency and either state or local officials have imposed or recommended measures to promote social distancing, or the body determines, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

To continue to hold meetings under special teleconferencing requirements, a legislative body of a local public agency need to make two findings pursuant to Government Code Section 54953(e)(3). First, there must be a declared state of emergency and the legislative body must find that it has “reconsidered” the circumstances of such emergency. Second, the legislative body must find that such emergency continues to directly impact the ability of the legislative body’s members to meet in person. Alternatively, for the second finding, the legislative body must find that state or local officials continue to impose or recommend social distancing measures. These findings must be made within 30 days after the legislative body teleconferences for the first time under AB 361 and on a monthly basis thereafter.

The declared emergency is still in effect. Furthermore, the State of California and local officials have recommended measures to promote social distancing. The California Division of Occupational Safety and Health still requires that employers provide training on the effectiveness of physical distancing in the workplace.

Budget:

There is no budget impact.

Supporting Documents:

- Resolution No. 2021-1 Being a Resolution of the Board of Commissioners of the Antelope Valley State Water Contractors Association Authorizing Public Meetings to be Held Via Teleconferencing Pursuant to Government Code Section 54953(E) and Making Findings and Determinations Regarding the Same

RESOLUTION NO. 2021-1

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION AUTHORIZING PUBLIC MEETINGS TO BE HELD VIA TELECONFERENCING PURSUANT TO GOVERNMENT CODE SECTION 54953(e) AND MAKING FINDINGS AND DETERMINATIONS REGARDING THE SAME

WHEREAS, the Commission is committed to public access and participation in its meetings while balancing the need to conduct public meetings in a manner that reduces the likelihood of exposure to COVID-19 and to support physical distancing during the COVID-19 pandemic; and

WHEREAS, all meetings of the Commission are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Commission conduct its business; and

WHEREAS, pursuant to Assembly Bill 361, signed by Governor Newsom and effective on September 16, 2021, legislative bodies of local agencies may hold public meetings via teleconferencing pursuant to Government Code Section 54953(e), without complying with the requirements of Government Code Section 54953(b)(3), if the legislative body complies with certain enumerated requirements in any of the following circumstances:

1. The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.
2. The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

3. The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency in response to the COVID-19 pandemic (the “Emergency”); and

WHEREAS, the Centers for Disease Control and Prevention continue to advise that COVID-19 spreads more easily indoors than outdoors and that people are more likely to be exposed to COVID-19 when they are closer than 6 feet apart from others for longer periods of time; and

WHEREAS, due to the ongoing COVID-19 pandemic and the need to promote social distancing to reduce the likelihood of exposure to COVID-19, the Commission intends to hold public meetings via teleconferencing pursuant to Government Code Section 54953(e).

NOW, THEREFORE, this Commission resolves as follows:

Section 1. The Recitals provided above are true and correct and are hereby incorporated by reference.

Section 2. This Commission hereby determines that, as a result of the Emergency, meeting in person presents imminent risks to the health or safety of attendees.

Section 3. This Commission shall conduct its meetings pursuant to Government Code Section 54953(e).

Section 4. Staff is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. The Association has reconsidered the circumstances of the state of emergency and finds that: (i) the state of emergency continues to directly impact the ability of the members to meet safely in person, and (ii) state or local officials continue to impose or recommend measures to promote social distancing.

PASSED AND ADOPTED this _____ day of _____, 2021,

Robert Parris, Chair

ATTEST:

Gloria Dizmang, Secretary

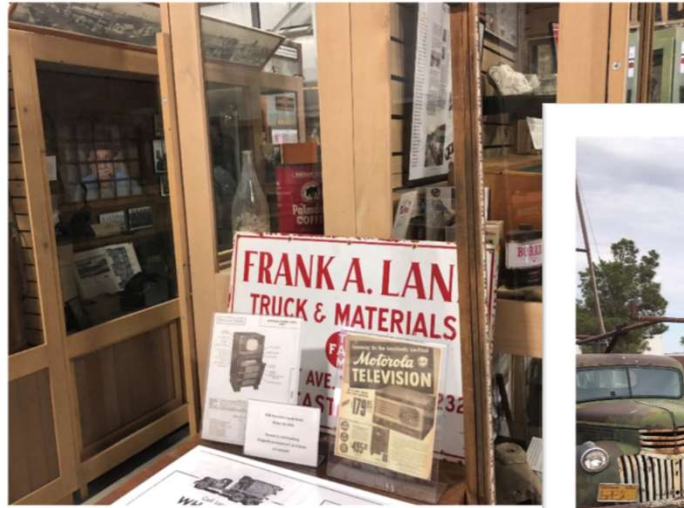
Antelope Valley Rural Museum

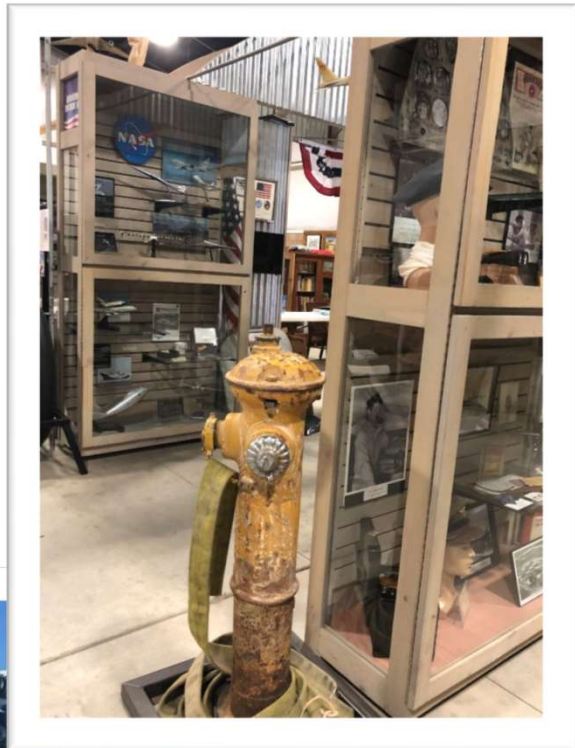
Drawings/Photos - August 2021

AV Fairgrounds









Antelope Valley Conservation Garden

Photos - August 2021

AV Fairgrounds





**ANTELOPE VALLEY
STATE WATER CONTRACTORS ASSOCIATION
COMMISSION MEMORANDUM**

DATE: October 6, 2021 **October 14, 2021**
TO: AVSWCA Commissioners **Commission Meeting**
FROM: Mr. Peter Thompson II, General Manager
RE: *AGENDA ITEM NO. 9 – PRESENTATION AND DISCUSSION ON FINALIZATION OF THE BIG ROCK CREEK JOINT GROUNDWATER RECHARGE PROJECT FEASIBILITY STUDY. (MR. PAUL CHAU, KENNEDY JENKS/GENERAL MANAGER THOMPSON II)*

Recommendation:

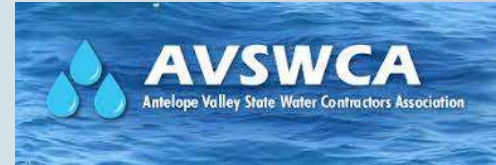
Staff recommends and seeks consensus of the Commissioners for finalization of the Big Rock Creek Joint Groundwater Recharge Project Feasibility Study (Project) with a focus on completing the analysis of Alternatives 2 and 3 with the remaining Project budget.

Background:

Following the presentations provided to each of the Association’s member agency Boards, staff met with representatives of each agency and Kennedy Jenks to develop a plan for finalizing the Project. There was consensus that Alternative 2 (culverts at Ave. T and Ave. S) provides a low cost and easy implementation option for limited recharge for shorter range recharge opportunities. There was also consensus that Alternative 3 (off channel recharge basins) would provide the best potential long range option for larger scale recharge. Finalizing the analysis for these options can be done with the remaining Project budget and would provide the member agencies with a path for implementing near term and future recharge options at Big Rock Creek.

Supporting Documents:

Big Rock Creek Joint Recharge Project Feasibility Study - Next Steps presentation by Mr. Paul Chau, Kennedy Jenks.



Big Rock Creek Groundwater Recharge Feasibility Study

Next Steps

October 14th, 2021

Preliminary Alternative Rankings

Alternative	Score	Rank
1 - In-Channel Berms	3.19	3
2 - East Avenue T and S Culverts	3.30	2
3 - Offsite Recharge Basins	3.41	1
4 - Water Booster Station/ Pipeline	1.95	4

- Alternative 2 – Culverts
 - Cost effective
 - Limited capacity
- Alternative 3 – Offsite Recharge Basins
 - Largest recharge capacity (tied with Alternative 1)
 - Simplest permitting/ regulatory requirements

Study - Next Steps

- Define requirements for implementation of Culvert and Offsite Recharge options
- Report documentation

Culverts – To Do List

- Coordinate with LA County
 - Potential culverts at Ave T and Ave S
 - Closer evaluation of potential culvert at Ave R
 - Explore possibility of cost sharing with the County
- Coordination with DWR
 - Define turnout requirements
 - Aqueduct capacity limitations
- Define design and construction requirements
- Update cost estimate, as needed

Offsite Recharge – To Do List

- Identify potential parcels for the recharge site
- Field test for determining percolation rate
- Evaluate feasibility of diversion in lieu of pipeline
- Coordination with DWR
 - Define turnout requirements
 - Aqueduct capacity limitations
- Define design and construction requirements
- Update cost estimate


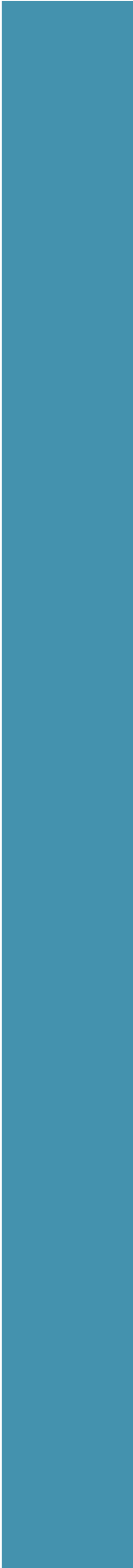
OPEN DISCUSSION / QUESTIONS

**ANTELOPE VALLEY
STATE WATER CONTRACTORS ASSOCIATION
COMMISSION MEMORANDUM**

DATE: October 6, 2021 **October 14, 2021**
TO: AVSWCA Commissioners **Commission Meeting**
FROM: Mr. Dennis Hoffmeyer, Controller
VIA: Mr. Peter Thompson II, General Manager
RE: *AGENDA ITEM NO. 10 – CONSIDERATION AND POSSIBLE ACTION ON
ACCEPTANCE AND FILING OF AUDIT FOR YEAR ENDED JUNE 30, 2020.
(CONTROLLER HOFFMEYER)*

Recommendation:

Staff recommends the acceptance and filing of the audit for year ended June 30, 2020. The Independent Auditors' Report and Financial Statements are attached. This information will be reviewed in detail at the meeting.



**ANTELOPE VALLEY STATE WATER
CONTRACTORS ASSOCIATION
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Years Ended
June 30, 2020 and 2019**

NIGRO & NIGRO^{PC}

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

For the Fiscal Years Ended June 30, 2020 and 2019

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Financial Section



INDEPENDENT AUDITORS' REPORT

Governing Board
Antelope Valley State Water Contractors Association
Palmdale, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Antelope Valley State Water Contractors Association (Association), which comprise of the balance sheets as of June 30, 2020 and 2019, and the related statements of revenues, expenses, and change in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Antelope Valley State Water Contractors Association, as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Management has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Murrieta, California
June 15, 2021

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Balance Sheets

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents (Note 2)	\$ 264,938	\$ 432,501
Accounts receivable	10,600	-
Prepaid items	10,546	546
Total assets	<u>\$ 286,084</u>	<u>\$ 433,047</u>
LIABILITIES		
Accounts payable	<u>\$ 33,969</u>	<u>\$ 67,434</u>
Total liabilities	<u>33,969</u>	<u>67,434</u>
NET POSITION		
Unrestricted	<u>252,115</u>	<u>365,613</u>
Total net position	<u>252,115</u>	<u>365,613</u>
Total liabilities and net position	<u>\$ 286,084</u>	<u>\$ 433,047</u>

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION*Statements of Revenues, Expenses, and Changes in Net Position**For the Fiscal Years Ended June 30, 2020 and 2019*

	<u>2020</u>	<u>2019</u>
Operating Revenues		
Member agency contributions	\$ 90,200	\$ 321,128
Contributions – other	80,600	334,412
Total operating revenues	<u>170,800</u>	<u>655,540</u>
Operating Expenses		
Contracted services	278,296	249,081
General and administrative	6,307	20,913
Total operating expenses	<u>284,603</u>	<u>269,994</u>
Operating income(loss)	<u>(113,803)</u>	<u>385,546</u>
Non-Operating Revenues		
Investment earnings	305	271
Total non-operating revenues	<u>305</u>	<u>271</u>
Change in net position	(113,498)	385,817
Net Position		
Beginning of year	<u>365,613</u>	<u>(20,204)</u>
End of year	<u>\$ 252,115</u>	<u>\$ 365,613</u>

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Statements of Cash Flows

For the Fiscal Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from member agencies	\$ 90,200	\$ 321,128
Cash received from contributions – other	70,000	350,312
Cash payments for operating expenses	<u>(328,068)</u>	<u>(251,538)</u>
Net cash provided by (used in) operating activities	<u>(167,868)</u>	<u>419,902</u>
Cash flows from investing activities:		
Investment income	<u>305</u>	<u>271</u>
Net cash provided by investing activities	<u>305</u>	<u>271</u>
Net increase (decrease) in cash and cash equivalents	<u>(167,563)</u>	<u>420,173</u>
Cash and cash equivalents:		
Beginning of year	<u>432,501</u>	<u>12,328</u>
End of year	<u>\$ 264,938</u>	<u>\$ 432,501</u>
Reconciliation of operating income(loss) to net cash provided by (used in) operating activities:		
Operating income(loss)	\$ (113,803)	\$ 385,546
Adjustments to reconcile operating income(loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in accounts receivable	(10,600)	15,900
(Increase) decrease in prepaid items	(10,000)	-
Increase (decrease) in accounts payable	<u>(33,465)</u>	<u>18,456</u>
Net cash provided by (used in) operating activities	<u>\$ (167,868)</u>	<u>\$ 419,902</u>

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

The Antelope Valley State Water Contractors Association (Association) was consolidated on May 26, 1999 as a joint powers authority in an effort to optimize the use of state water resources and protect surface water and groundwater storage within the Antelope Valley. Three public agencies combined to form the Association in serving the Antelope Valley: Antelope Valley – East Kern Water Agency, Littlerock Creek Irrigation Association, and Palmdale Water Association, which constitutes the member agencies. Each member agency appoints two members to the Governing Board.

Any member of the Association shall have the right to withdraw its membership upon serving prior written notice of intention so to do on the other members at least one hundred twenty (120) days before the close of any fiscal year. Unless sooner revoked, such withdrawal shall become effective upon the expiration of the fiscal year during which such notice was given; provided, however, that no such withdrawal shall release the withdrawing member from any financial obligation theretofore incurred by it hereunder.

Each member of the Association shall be obligated to pay its pro-rata share of the funds required to be appropriated by any approved budget. Approval of any budget by a member shall constitute an agreement of such member to pay said allocation, conditioned only on the approval thereof by each of the other members.

Basis of Accounting and Measurement Focus

The Association reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Association is that the costs of providing services be financed or recovered primarily through user (member) charges, capital grants and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Financial Reporting

The Association's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States Board (GAAP), as applied to enterprise funds, The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Association solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Association's proprietary fund.

Operating revenues and expenses result from exchange transactions associated with the principal activity of the Association Exchange transactions are those in which each party receives and gives up essentially equal values. Management administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

Cash and Cash Equivalents

The Association's cash and cash equivalents are considered to be cash on hand and short-term investments with original maturities of three months or less from the date of acquisition

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the net investment in capital assets or restricted component of net position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Member Contributions

Contribution revenue consists of payments from members that are planned to match operating expenses. The activities of the Association consist solely of development and protection of the water supply for the Antelope Valley groundwater basin.

Grants

Grant revenues are recorded when earned on grants that have been approved and funded by the grantor. The grant source is the Safe Drinking Water Grant Fund from the State of California Department of Water Resources.

Member’s Equity

In the event of a member withdrawal, member termination, or dissolution of the Association, any property interest remaining in the Association, following a discharge of all obligations shall be disposed of pursuant to the Joint Powers Agreements as adopted by the Governing Board.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

Description	2020	2019
Demand deposits with financial institutions	\$ 264,938	\$ 432,501

Demand Deposits

At June 30, 2020 and 2019, the carrying amount of the Association’s demand deposits were \$264,938 and \$432,501, respectively, and the financial institution’s balance was \$264,938, and \$432,501, respectively. There was no difference representing outstanding checks, deposits-in-transit and/or other reconciling items.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Notes to Financial Statements

June 30, 2020 and 2019

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Association's deposits may not be returned to it. The ROP does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the *California Government Code* requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

NOTE 3 – RISK MANAGEMENT

The Association has purchased commercial general liability insurance coverage to cover claim contingencies against the Association.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

In the ordinary course of operations, the Association is subject to claims and litigation from outside parties. Nevertheless, after consultation with legal counsel, the Association believes that these actions, when finally, concluded and determined are not likely to have a material adverse effect on the Association's financial position, results of operations, or cash flows.

Positive Pay

Risk Management Solutions

Citizens Business Bank understands and supports your business with unparalleled service, industry expertise, and products to meet and exceed your banking needs.

Check Positive Pay



An electronic service to help prevent check fraud by automatically matching check numbers and amounts against an issued-check file you provide to the Bank.

- Quickly review and identify questionable checks
- Help prevent unauthorized check payments

Check Payee Match



An enhanced form of Check Positive Pay which reviews the payee's name on a presented check against an issued-check file you provide to the Bank.

- Provides early detection of altered or unauthorized checks

Reverse Positive Pay



An alternative to Check Positive Pay providing you a daily file listing all checks presented for payment on your account.

- Use your own accounting software to review checks
- Manage which checks are paid or returned

ACH Positive Pay



Designed to help prevent ACH fraud by automatically comparing incoming ACH transactions against a list you provide to the Bank of acceptable and unacceptable ACH transactions.

- Review unexpected ACH transactions to pay or return
- Added protection from unauthorized ACH transactions



Minimize
Risk



Protect
Your Accounts



Enhance
Your Control

CONTACT US
888.222.5432

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION COMMISSION MEMORANDUM

DATE: October 6, 2021 **October 14, 2021**
TO: AVSWCA Commissioners **Commission Meeting**
FROM: Mr. Peter Thompson II, General Manager
RE: ***AGENDA ITEM NO. 12 – REPORT OF GENERAL MANAGER***

Report Items:

- **Antelope Valley Water Master Meetings**
 - Staff will be giving a brief presentation to the Watermaster Board and Advisory Committee regarding State Water Project reliability projection based on AVEK's and PWD's Urban Water Management Plans.
 - Water theft specifically as it relates to the recent boom in illegal marijuana grow operations in the Antelope Valley continues to be an area of concern for the Watermaster.
 - The Association anticipates receiving a replacement water request in December from the Watermaster for water pumped in 2020.
 - Admin. staff is continuing to work on a scope of work and budget for continuation of engineering services with Todd Groundwater.
 - The Watermaster's Administrative Committee is focusing attention on developing a plan for enforcement actions against parties that are non-compliant with the judgment and/or delinquent in their payments.

- **Antelope Valley and Fremont Basin IRWMP Stakeholder Meetings**
 - Staff has worked with Woodard and Curran to assist the Antelope Valley Resource Conservation District to receive advanced payment of their grant award.
 - An AVIRWM Stakeholder Meeting was held September 29th.

- **Antelope Valley Mutual Response Agreement**

- Staff held meetings with mutual water companies and solicited feedback via email and phone calls to help develop an amendment to the Agreement that would allow for smaller mutual water companies to participate. Feedback from the mutuals has been very limited but staff intends to have a draft amendment written by the end of November.
- The participants of the Agreement will be meeting on October 25th to select an administrator for the Agreement.
- California City has expressed interest in attending and becoming a participant of the Agreement.

- **Aqueduct Water Theft and Security Enforcement**

- Staff has reached out to the Department of Water Resources (DWR) and requested feedback on water theft occurring from the State Water Project. DWR's response indicates that they do not see it as a significant problem on the Antelope Valley portion of the State Water Project. Staff will continue to monitor the situation and if the problem escalates, we will re-engage with DWR.

- **Antelope Valley Home Show and SMART Water Expo**

- There will be no event held in 2021. Staff will stay engaged with the AV Fair Association on the potential for an event in 2022.

ANTELOPE VALLEY STATE WATER CONTRACTORS
Balance Sheet
For the Three Months Ending 9/30/2021

	<u>YTD</u>
ASSETS	
Cash - General Fund	\$248,039.32
Restricted - AVRWMG	113,321.22
Accounts Receivable	0.00
Prepaid Insurance (Premium Period 10/1 - 9/30)	0.00
Prepaid Expense	<u>10,000.00</u>
Total Assets	<u><u>\$371,360.54</u></u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	<u>\$6,201.17</u>
Total Liabilities	6,201.17
FUND BALANCE	
Unassigned	<u>365,159.37</u>
Total Fund Balance	365,159.37
Total Liabilities and Fund Balance	<u><u>\$371,360.54</u></u>

ANTELOPE VALLEY STATE WATER CONTRACTORS
Profit & Loss Statement
For the Three Months Ending 9/30/2021

	September	YTD
Revenues:		
Contributions - Member Agency		\$30,000.00
Contributions - Member Programs (USGS & CASGEM)		
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)		95,307.00
Water Sales - Pilot In-Lieu Banking		
Miscellaneous Refund		
Interest Earnings	4.08	24.41
Total Revenue		\$125,331.41
Expenditures:		
General Government		
Bank Fees	(\$6,816.50)	
Insurance	181.88	545.72
Memberships	4,265.00	4,265.00
Outreach		
Purchased Water		
Miscellaneous		
		4,810.72
Public Resource		
Contract Services - Administration	523.94	2,722.88
Contract Services - USGS & CASGEM		
Contract Services - AVRWMG		
Contract Services - IRWMP 2013 Update		
Contract Services - BIG ROCK CREEK		3,025.00
Contract Services - FINANCIAL ANALYSIS		
Contract Services - General Projects		
Contract Services - AV Fair Conservation Garden		
Contract Services - Home Show/WaterSmart Expo		
Contract Services - Other		
		5,747.88
Total Expenditures		\$10,558.60
Change in Net Position		\$114,772.81
Net Position - Beginning of Year		250,386.56
Net Position - End of Year		\$365,159.37

ANTELOPE VALLEY STATE WATER CONTRACTORS
FY 2021/22 - Budget vs Actual
For the Three Months Ending 9/30/2021

	<u>September</u> <u>Actual</u>	<u>YTD</u> <u>Actual</u>	<u>Budget</u>	<u>Variance</u>
General Revenues:				
Contributions - Member Agency		\$30,000	(\$30,000)	
Contributions - Member Agency (Other programs)				
Contributions - Member Agency (AV Fair Conservation Garden)				
Miscellaneous Refund				
Interest Earnings	4	24	(200)	(176)
Total General Revenue	<u><u>\$4</u></u>	<u><u>\$30,024</u></u>	<u><u>(\$30,200)</u></u>	<u><u>\$176</u></u>
General Expenditures:				
General Government				
Bank Fees				
Insurance	182	546	2,350	1,804
Memberships	4,265	4,265	3,750	(515)
Outreach			5,000	5,000
Purchased Water				
Miscellaneous			500	500
Contract Services - Administration	524	2,723	12,000	9,277
Contract Services - AV Fair Conservation Garden				
Contract Services - Home Show/Water Expo				
Contract Services - Other			5,000	5,000
Total General Expenditures	<u><u>\$4,971</u></u>	<u><u>\$7,534</u></u>	<u><u>\$28,600</u></u>	<u><u>\$21,066</u></u>

ANTELOPE VALLEY STATE WATER CONTRACTORS
FY 2021/22 - Budget vs Actual
For the Three Months Ending 9/30/2021

	<u>September</u> <u>Actual</u>	<u>YTD</u> <u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Program Revenues:				
Contributions - Member Programs (USGS & CASGEM)				
Contributions - Member (BIG ROCK CREEK)				
Contributions - Member (FINANCIAL ANALYSIS)				
Contributions - Others (USGS & CASGEM)				
Contributions - Others (AVRWMP)		95,307	(150,000)	(54,693)
Water Sales - Pilot In-Lieu Banking				
Total Program Revenue		<u><u>\$95,307</u></u>	<u><u>(\$150,000)</u></u>	<u><u>\$54,693</u></u>
Program Expenditures:				
Contract Services - USGS & CASGEM			\$51,257	\$51,257
Contract Services - AVIRWMP				
Contract Services - IRWMP Update				
Contract Services - BIG ROCK CREEK		3,025	115,873	112,848
Contract Services - FINANCIAL ANALYSIS				
Total Program Expenditures			<u><u>\$51,257</u></u>	<u><u>\$51,257</u></u>