

**ANTELOPE VALLEY-EAST KERN WATER AGENCY
 ANTELOPE VALLEY-EAST KERN WATER AGENCY FINANCING AUTHORITY
 REGULAR BOARD MEETING AGENDA**

TUESDAY, FEBRUARY 28, 2023. AT 5:30 PM

6450 WEST AVENUE "N," PALMDALE, CA 93551 – OR –

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 7 – **Gary Van Dam** _____; Division 6 – **Audrey T. Miller** _____; Division 5 – **Robert Parris** _____; Division 2 – **Keith Dyas** _____; Division 1 – **Shelley Sorsabal** _____; Division 3 – **Frank Donato** _____; Division 4 – **George M. Lane** _____

OFFICERS: General Manager – **Matthew Knudson**; Attorney – **Jim Markman/Tilden Kim**; 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

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6(a-1)	Adoption of Agenda for Regular Board Meeting of February 28, 2023	Board Order 6(a-1)	5
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7. NEW BUSINESS: ITEM(S) FOR CONSIDERATION AND POSSIBLE ACTION: None

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

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8(a-1)	Approve Minutes of the Regular Board Meeting of January 24, 2023	Board Order 8(a-1)	7
8(a-2)	Accept and file the Check Register Lists from February 2, 2023, through February 15, 2023 (Finance Committee Review – 02/23/23)	Board Order 8(a-2)	11

9. ITEM(S) FOR CONSIDERATION AND POSSIBLE ACTION

a. Finance Committee (FD/KD/GL) 02/23/23

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9(a-1)	Consideration and possible action to Accept and File the Treasurer's Report for the Month Ending January 31, 2023 (Finance Manager Yates)	Board Order 9(a-1)	19
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b. High Desert Water Bank & Water Bank Resources Committee (FD/KD/GV) 02/24/23

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9(b-1)	Consideration and possible action on Pilot Water Banking Agreement between AVEK and Santa Clara Valley Water District (General Manager Knudson)	Board Order 9(b-1)	35
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c. New Business

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9(c-1)	Consideration and possible action on Letter of Support for Palmdale Water District's WaterSmart Water Recycling and Desalination Grant Application (General Manager Knudson)	Board Order 9(c-1)	51
9(c-2)	Consideration and possible action on appointment of AVEK's alternate representative on the Antelope Valley Watermaster Board due to the upcoming retirement of Mr. Dwayne Chisam (President Lane)	Board Order 9(c-2)	55

10. GENERAL MANAGER'S REPORT ON WATER SUPPLY, PROJECTS, AND PROGRAM

11. DIRECTORS REPORTS

12. ATTORNEY REPORT

13. REQUEST FOR FUTURE AGENDA ITEMS

14. CLOSED SESSION

- a. (Possible) Closed Session – Conference with Legal Counsel – Existing Litigation, to which the local agency is a party pursuant to Government Code Section §54956.9(d)(1), one case, *CV Communities, LLC v. Antelope Valley-East Kern Water Agency*, Los Angeles County Superior Court Case No. 20STCV10953

15. CLOSED SESSION ANNOUNCEMENTS

16. ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR TUESDAY, MARCH 14, 2023, AT 5:30 P.M.

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 a 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: February 24, 2023, at 4:30 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 FEBRUARY 14, 2023

The Board of Directors adopted the following Board Order on February 28, 2023:

To adopt the Current Agenda for February 28, 2023, as presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 6(a-1)

02-28-23

RECOMMENDED BOARD ORDER 8(a-1)

To the Board of Directors

FOR BOARD ACTION

**APPROVE MINUTES OF THE REGULAR BOARD MEETING
OF JANUARY 24, 2023**

The Board of Directors adopted the following board order on
February 28, 2023:

That the Minutes of the Regular Board Meeting of January 24, 2023,
be approved as presented.

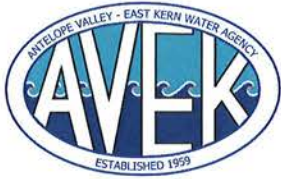
Motion by_____

Second by_____

Carried_____

BOARD ORDER 8(a-1)

02-28-23



Antelope Valley-East Kern Water Agency Antelope Valley-East Kern Financing Authority

The mission of AVEK is to deliver reliable, sustainable, and high-quality supplemental water to the region in a cost-effective and efficient manner

MINUTES

Regular Board Meeting of January 24, 2023



1. Call to Order:		The 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 met in-person and via teleconference and video conference. The meeting was called to order by President Lane at 5:30 p.m.
Date: Tuesday, January 24, 2023		
Time: 5:30 p.m.		
Location: 6450 W Ave N, Palmdale, CA 93551 -and- Zoom		
Telephone: (669) 900-6833; ID No: 894 3572 7657; Passcode: 0 Zoom Link: https://us02web.zoom.us/j/89435727657?pwd=ak1XbmprdfBUQnRZOWszWU91VHdyUT09		
2. Pledge of Allegiance		
Led by: Frank Donato – AVEK Board Vice-President/Director Division 3		
3. Roll Call: Board Members		Present: 7 Not Present: 0
Division 7, Gary Van Dam [present in-person]	Division 6, Audrey Miller [present via ZOOM]	
Division 5, Robert Parris [present in-person]	Division 2, Keith Dyas [present via ZOOM]	
Division 1, Shelley Sorsabal [present via ZOOM]	Division 3, Frank Donato (Vice President) [present in-person]	
Division 4, George Lane (President) [present in-person]		
Board Officers		Present: 3 Not Present: 0
General Manager Matthew Knudson		
General Counsel/Attorney: Tilden Kim , Richards Watson Gershon Law (RWG) [present via ZOOM]		
Board Secretary-Treasurer: Holly Hughes		
NOTES: ALL VOTES CAST WERE TAKEN VIA ROLL CALL due to teleconference		
Staff Present: In-person: Jon Bozigian , Operations Manager; Teresa Yates , Finance & Administration Manager; Justin Livesay , Engineering Manager; Jordan Wray , Laboratory Manager; Allen Morris , Assistant Operations Manager; Pam Clark , Executive Assistant; and Dwayne Chisam , Director of Special Projects.		
Others Present in-person: 3 Individuals.		
Others Present via Teleconference: AVEK (Host); AVEK iPad (co-Host); Benjamin Stewart ; Ed Sanders ; Jack's iPad(2); Joyce Media, Inc.; Marla; NERD Aerotech News-Alisha; Sara Samaan ; Mike Lang ; (661) 272-0015; (661) 433-1487; (661) 943-3201; (661) 435-3813 and others. As many as 17 participants were logged into the Zoom meeting and that number fluctuated throughout the session.		
3. Voluntary Public Roll Call		
Vince Dino , Palmdale Water District; John Ukkestad , White Fence Farms; Jack Seefus , White Fence Farms 3; John Joyce , Acton-Agua Dulce News; Benjamin Stewart , RCSD.		
4. Public Comments and Period Open to the Public		
There were no public comments.		
5. Adoption of Agenda:		1 Item
BOARD ORDER 6(a-1): Adoption of Agenda for Board Meeting of January 24, 2023		
6(a-1):	MOTION: Parris	SECOND: Donato
	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	
	PASSED	
7. New Business		
None		
8. Consent Calendar		2 Items
8(a-1) Approve Minutes of the Special Board Meeting of December 20, 2022		
8(a-2) Accept and file the Check Register Lists from December 29, 2022, through January 11, 2023 (Finance Committee Review – 01/19/23)		



BOARD ORDERS 8(a-1) to 8(a-2) Approval of two (2) Items on the Consent Calendar as presented.

8(a-1) to 8(a-2)	<u>MOTION</u> : Parris	<u>SECOND</u> : Miller	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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9. Items for Consideration and Possible Action **4 Items**

a. Finance Committee (FD/KD/GL) 01/19/23

9(a-1) Consideration and Possible action on the Treasurer’s Report for the month ending December 31, 2022 (Finance & Administration Manager Yates)

BOARD ORDERS 9(a-1) Approval of Treasurer’s Report for the period ending December 31, 2022, as presented and accepted for filing.

9(a-1)	<u>MOTION</u> : Dyas	<u>SECOND</u> : Donato	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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9(a-2) Consideration and Possible action on adjustment of Laboratory Testing Fees (Laboratory Manager Wray). Lab fees were previously adjusted in October 2015. Labor and materials have increased an average of 30% since the last adjustment. Recommendation is to adjust accordingly.

BOARD ORDERS 9(a-2) Approving the Laboratory Fee Analysis 2023 proposal as presented.

9(a-2)	<u>MOTION</u> : Donato	<u>SECOND</u> : Van Dam	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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9(a-3) Consideration and Possible action on Resolution No. R-23-02, authorizing AVEK Water Agency to provide water quality laboratory testing services to the California Department of Parks and Recreation (Laboratory Manager Wray). Every two years a bid is requested to provide a fee per sample for raw and treated water. New contract will provide for the fee increase adjustment and be effective from January 2023 through January 2025.

BOARD ORDERS 9(a-3) To adopt Resolution No. R-23-02; authorizing AVEK Water Agency to provide water quality laboratory testing services to the California Department of Parks and Recreation as presented.

9(a-3)	<u>MOTION</u> : Miller	<u>SECOND</u> : Parris	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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b. Watermaster & Groundwater Stewardship Committee (RP/FD/AM) 01/23/23

9(b-1) Review and provide guidance for AVEK’s Watermaster Representative for AV Watermaster Meeting Agenda of 01/25/23 (General Manager Knudson). The board commended Director Rob Parris for his good work as Chair of the Watermaster Board of Directors and encouraged their support of his continued role.

BOARD ORDERS 9(b-1) To approve support of Robert Parris to be reelected as chair of the Watermaster Board of Directors as presented.

9(b-1)	<u>MOTION</u> : Donato	<u>SECOND</u> : Dyas	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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10. General Manager’s Report on Water Supply, Projects, and Program

An update was provided on the status of the Agency. The Northern California precipitation was reported.

The Oroville Reservoir was reported to be 2,191,068.8 AF; 62% of capacity and 109% of historical average. The San Luis Reservoir was reported to be 1,087,764 AF; 53% of capacity and 74% of historical average. Water Levels at SWP & CVP Reservoirs (Water Level in ft/MSL) were: Shasta Lake 984; Lake Oroville 800; San Luis 461; and Folsom Lake 419.

An Agency Operations and Quartz Hill Water Treatment Plant Maintenance Report was provided by Operations Manager Jon Bozigian. An update on the High Desert Water Bank was provided by Engineering Manager Justin Livesay.

Upcoming Events and Schedule were reported as follows: AV Watermaster Board Meeting (AVEK & Zoom) Wed 1/25/23 at 10 am; Optional Harassment Prevention Training (JPIA) Thurs 1/26/23 at 10 am; Edwards Solar Project Ribbon Cutting Thurs 2/2/23 at 1:15 pm; Presidents’ Day Holiday observed – Monday 2/20/23; Urban Water Institute Conference Wed 2/22/23 through Fri 2/24/23; AV Edge 2023 Spring Summit at AV Fairgrounds Fri 2/24/23.

President Lane requested a tour of the Westside Water Bank in February.

11. Director Reports

There were no reports made by any of the directors.

12. Attorney Report

There was no report made by Attorney Kim.

13. Request for Future Agenda Items

None.

14. Old Business/Closed Session

General Manager Knudson stated that there was reason to go into closed session for Item No. 14(b) only.

- a. **(NO)** Closed Session – Conference with Legal Counsel – Existing Litigation, to which the local agency is a party pursuant to Government Code Section 54956.9(d)(1), one case, *CV Communities, LLC v. Antelope Valley-East Kern Water Agency*, Los Angeles County Superior Court Case No. 20STCV10953
- b. **(YES)** Closed Session pursuant to Government Code Section 54956.8
 Conference with Real Property Negotiators
 Property: APNs: 254-064-14 and 254-064-15
 Agency Negotiators: General Manager Matthew Knudson
 Negotiating Parties: AVEK and Richard Smith
 Under negotiation: Price and terms of payment for possible purchase.



BOARD ORDER 14: The meeting was adjourned to closed session at 6:50 p.m.

14	MOTION: Parris	SECOND: Van Dam	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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BOARD ORDER 14.1: The meeting was reconvened to open session at 7:03 p.m.

14.1	MOTION: Parris	SECOND: Donato	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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15. Closed Session Announcement(s)

Attorney Kim reported that the Board met in closed session and approved the execution of documents necessary to close the transaction

16. Adjourn to a Regular Board Meeting Scheduled for Tuesday, February 14, 2023, at 5:30 p.m.

BOARD ORDER 16: The meeting was adjourned at 7:06 p.m.

16	MOTION: Parris	SECOND: Sorsabal	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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Approval:

Holly Hughes, Board Secretary-Treasurer

Board of Directors:

President or Vice-President’s Signature

Date

RECOMMENDED BOARD ORDER 8(a-2)

To the Board of Directors

FOR BOARD ACTION

CHECK REGISTER LISTS

The Board of Directors adopted the following board order on February 28, 2023:

That the check register lists for the period of February 2, 2023, through February 15, 2023, be approved and accepted for filing as presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(a-2)

02-28-23

AVEK Water Agency
Check List
For the Period of February 2, 2023 to February 15, 2023

REVIEWED
2/20/23
m.x.

Check #	Payee	Explanation	Approved By:	Amount
MONTHLY				
1	83480	Southern CA Edison	Electricity/Pumping - EBB/ES2/C8/C9	Monthly - GM Approved \$ 3,026.83
2	83481	Palmdale Water District	Payment for PWD Treatment Cost for Acton Service Area	Finance Committee 2/9/2023 \$ 17,992.84
3	83482	Richards, Watson & Gershon	Legal Services - Through December 2022	Finance Committee 2/9/2023 \$ 19,045.27
4	83484	ADT Commercial	Building Security - AWTP	Monthly - GM Approved \$ 156.00
5	83485	ADT Commercial	Building Security - EWTP	Monthly - GM Approved \$ 63.62
6	83486	ADT Security Services	Building Security - Healy	Monthly - GM Approved \$ 152.83
7	83487	ADT Security Services	Building Security - Healy 2	Monthly - GM Approved \$ 152.83
8	83488	ADT Commercial	Building Security - RWTP	Monthly - GM Approved \$ 41.59
9	83489	Airgas USA, LLC	Welding Gases-Maintenance Dept/Gases-Lab	Monthly - GM Approved \$ 937.13
10	83490	Airgas USA, LLC	Chemicals - Liquid Oxygen	BoD Approved Chemical Budget \$ 1,653.00
11	83491	Airgas USA, LLC	Chemicals - CO2	BoD Approved Chemical Budget \$ 1,323.00
12	83493	Antelecom, Inc.	Internet Service	Monthly - GM Approved \$ 187.90
13	83494	AT&T	Landline SCADA Alarm - AWTP/EWTP/RWTP	Monthly - GM Approved \$ 887.54
14	83496	The Bank of New York Mellon	Custody Services Fees - December 2022	Monthly - GM Approved \$ 250.00
15	83497	Bill's Landscaping, Inc.	Grounds Maintenance - February 2023	Monthly - GM Approved \$ 850.00
16	83499	Boron CSD	Wheeling Agreement - Reimbursed by Edwards AFB - January 2022	Monthly - GM Approved \$ 3,100.00
17	83500	Broadvoice Business	VOIP Phones - All Sites	Monthly - GM Approved \$ 1,238.23
18	83501	California Tool & Welding Sup	Welding Gases - RWTP	Monthly - GM Approved \$ 51.20
19	83503	Cintas	Uniforms - All Sites	Monthly - GM Approved \$ 1,108.12
20	83505	Core BTS, Inc.	IT Services - February 2023	Monthly - GM Approved \$ 4,500.00
21	83505	Core BTS, Inc.	General Software - January 2023	Monthly - GM Approved \$ 578.00
22	83510	Eurofins Eaton Analytical, LLC	Outside Services - Lab	Monthly - GM Approved \$ 8,075.00
23	83511	Federal Express Corporation	Shipping Charges	Monthly - GM Approved \$ 176.06

AVEK Water Agency
Check List
For the Period of February 2, 2023 to February 15, 2023

	Check #	Payee	Explanation	Approved By:	Amount
MONTHLY cont.					
24	83512	Frontier	Landline SCADA Alarm - QHWTP/WWB	Monthly - GM Approved	\$ 641.92
25	83513	The Gas Company	Natural Gas	Monthly - GM Approved	\$ 10,717.92
26	83518	Health Equity	H.S.A. Fees - February 2023	Monthly - GM Approved	\$ 79.65
27	83520	Home Depot Credit Services	Supplies - All Sites	Monthly - GM Approved	\$ 3,264.74
28	83521	Hydrex Pest Control, Inc.	Building Maintenance - Administration	Monthly - GM Approved	\$ 339.00
29	83529	MCI	Landline SCADA Alarm - RWTP	Monthly - GM Approved	\$ 30.58
30	83533	PFM Asset Management LLC	Managed Account Fees - December 2022	Monthly - GM Approved	\$ 2,208.49
31	83535	Rodrigo Antonio Gracia dba Rodloc Security Services	Building Maintenance - WWB	Monthly - GM Approved	\$ 110.00
32	83536	Southern CA Edison	Electricity/Pumping - Admin2/RG1/RG3/Healy	Monthly - GM Approved	\$ 1,984.62
33	83537	Sparkletts	Supplies - Lab	Monthly - GM Approved	\$ 331.48
34	83538	Staples Business Credit	Office Supplies	Monthly - GM Approved	\$ 1,268.22
35	83539	Streamline	Monthly Web Hosting Fee - February 2023	Monthly - GM Approved	\$ 550.00
36	83542	TPx Communications	Fiber Internet Service	Monthly - GM Approved	\$ 1,317.81
37	83544	Underground Service Alert of Southern California	Underground Services	Monthly - GM Approved	\$ 92.25
38	83545	Vanguard Cleaning Systems	Janitorial Service - February 2023	Monthly - GM Approved	\$ 3,025.00
39	83546	Verizon California	Wireless Service - All Sites	Monthly - GM Approved	\$ 2,763.02
40	83548	Waste Management of Antelope Valley	Waste Disposal - AWTP	Monthly - GM Approved	\$ 88.61
41	83549	Waste Management - Kern County	Waste Disposal - RWTP	Monthly - GM Approved	\$ 203.52
42	83550	Waste Management of Antelope Valley	Waste Disposal - WWB	Monthly - GM Approved	\$ 144.82
43	83551	Waste Management of Antelope Valley	Waste Disposal - EWTP	Monthly - GM Approved	\$ 209.46
44	83552	Waste Management of Antelope Valley	Waste Disposal - QHWTP	Monthly - GM Approved	\$ 374.73
45	83553	Wells Fargo Bank - Bozigian	Agency Card Expenses	Monthly - GM Approved	\$ 44.00
46	83554	Wells Fargo Bank - Chisam	Agency Card Expenses	Monthly - GM Approved	\$ 502.22

AVEK Water Agency
Check List
For the Period of February 2, 2023 to February 15, 2023

	Check #	Payee	Explanation	Approved By:	Amount
MONTHLY cont.					
47	83555	Wells Fargo Bank - Holmes	Agency Card Expenses	Monthly - GM Approved	\$ 407.34
48	83556	Wells Fargo Bank - Hughes	Agency Card Expenses	Monthly - Board President Approved	\$ 558.70
49	83557	Wells Fargo Bank - Knudson	Agency Card Expenses	Monthly - Board President Approved	\$ 227.04
50	83558	Wells Fargo Bank - Livesay	Agency Card Expenses	Monthly - GM Approved	\$ 138.89
51	83559	Wells Fargo Bank - Morris	Agency Card Expenses	Monthly - GM Approved	\$ 8.00
52	83560	Wells Fargo Bank - Rose	Agency Card Expenses	Monthly - GM Approved	\$ 751.14
BOARD APPROVED					
53	83483	CB&T/ACWA-JPIA	Employee/Director Medical Insurance	Monthly - BoD Approved Agreement	\$ 93,422.91
54	83495	Avadine	Latis Software Product License - February 2023	Monthly - BoD Approved Agreement	\$ 1,100.00
55	83509	Enterprise FM Trust	Enterprise Leased Agency Vehicles	BoD Approved Agreement - Monthly	\$ 11,652.19
56	83514	Global Alliance Protection	Building Security - WWB	P.O. #22-0290 - Board Meeting 11/22/2022	\$ 6,528.00
57	83523	JCI Jones Chemicals, Inc	Chemicals - Sodium Hypochlorite	BoD Approved Chemical Budget	\$ 4,385.10
58	83526	Kennedy/Jenks Consultants	Professional Services thru 12/30/22 - SNIP Phase II	BoD Approved Agreement	\$ 1,470.00
59	83561	WestWater Research, LLC	Professional Services - Enterprise Water Bank - Phase II	BoD Approved Agreement	\$ 2,282.50
GM APPROVED					
Administration					
60	83504	Coffee Break Service, Inc.	Kitchen Supplies	GM Approved	\$ 309.60
61	83545	Vanguard Cleaning Systems	Janitorial Supplies	GM Approved	\$ 209.11
62	83562	Witts	Office Supplies	GM Approved	\$ 1,335.81
Engineering					
63	83505	Core BTS, Inc.	IT Equipment	P.O. #22-0295 - GM Approved	\$ 1,181.25

AVEK Water Agency
Check List
For the Period of February 2, 2023 to February 15, 2023

	Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.					
	Lab				
64	83507	Taylor Dranow	Education Reimbursement - AWWA Water Quality Analyst Grade 2 Renewal - Per BoD Approved Policy	GM Approved	\$ 75.00
65	83522	Idexx Distribution Corporation	Chemicals - Lab	P.O. #23-0013 - GM Approved	\$ 10,885.72
66	83547	VWR International	Chemicals - Lab	P.O. #23-0024 - GM Approved	\$ 115.64
Operations & Maintenance					
67	83492	Aaron Anderson	Education Reimbursement - D2 & T2 Renewal - Per BoD Approved Policy	GM Approved	\$ 120.00
68	83498	Boot Barn, Inc.	Work Boots Reimbursement - Ryan Crotzer - Per BoD Approved Policy	GM Approved	\$ 150.00
69	83502	CED - Orange/LA	Equipment Maintenance - QHWTP/RWTP/EWTP/WWB	P.O. #22-0214/#23-0006/#23-0014 - GM Approved	\$ 5,066.15
70	83506	Linda Beggs dba Desert Lock Company	Building Maintenance - EWTP	GM Approved	\$ 105.00
71	83508	Elite Concrete Restoration, Inc.	Fixed Asset BIR23-01 - Expansion Joint Material - QHWTP	P.O. #22-0241 - GM Approved	\$ 18,480.00
72	83515	Grainger	Equipment Maintenance - QHWTP/RWTP/EWTP/WWB	P.O. #23-0018 & #23-0023 - GM Approved	\$ 3,684.09
73	83516	Harbor Freight Tools	Small Tools - Maintenance Dept.	GM Approved	\$ 350.32
74	83517	Core & Main LP	Equipment Maintenance - WFdr	P.O. #23-0029 - GM Approved	\$ 822.65
75	83519	Gary Hensley	Education Reimbursement - Water Systems Class - Per BoD Approved Policy	GM Approved	\$ 177.25
76	83524	Karls Hardware, Inc.	Equipment Maint. & Supplies - RWTP	GM Approved	\$ 189.53
77	83525	Karl's Hardware Mojave	Equipment Maint. - RWTP	GM Approved	\$ 163.13
78	83527	KJS Health and Safety	Safety Training	GM Approved	\$ 1,300.00
79	83528	McCormick Diesel and Brake	Equipment Maint. WWB	GM Approved	\$ 546.31
80	83530	McMaster-Carr Supply Company	Supplies - Maint. Dept., Grounds Maint. - EBB, Equipment Maint. - WWB	P.O. #23-0028 - GM Approved	\$ 2,238.66

AVEK Water Agency
 Check List
 For the Period of February 2, 2023 to February 15, 2023

	Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.					
Operations & Maintenance					
81	83530	McMaster-Carr Supply Company	Equipment Maint. - MPS & CFdr	P.O. #23-0034 - GM Approved	\$ 1,629.74
82	83531	Newark Corporation	Equipment Maint. - QHWTP/RWTP/EWTP/WWB	P.O. #23-0031 - GM Approved	\$ 228.88
83	83532	Patton Sales Corp.	Equipment Maint. - WFdr	GM Approved	\$ 156.63
84	83534	Performance Pipeline Technologies, Inc.	Fixed Asset BIR 21-10 PRID Pipe Replacement	P.O. #23-0010 - GM Approved	\$ 3,875.00
85	83540	The Tire Store	Enterprise Vehicle Maintenance - Vehicle #8 WWB	GM Approved	\$ 15.00
86	83541	Tire Xpress	Enterprise/Legacy Vehicle Maint. - Vehicle #1 QHWTP, #16 Admin, #2 RWTP	GM Approved	\$ 156.00
87	83543	U.S. Breakers, Inc.	Equipment Maint. - QHWTP	GM Approved	\$ 129.21
88	83563	Zee Medical Service Co	Safety Supplies - QHWTP	GM Approved	\$ 295.60
		Total			\$ 272,762.14

AVEK Water Agency
 Check List
 For the Period From February 2, 2023 to February 15, 2023
 High Desert Water Bank Capital Program Account - MET

REVIEWED
 2/20/23
 M.K.

Check #	Payee	Explanation	Approved By:	Amount
1254	Department of Water Resources	Advance for Turnout Related Costs	GM Approved	90,000.00
1256	Nicholas Construction, Inc	Progress Payment #7 - Gravity Recharge Conveyance	BoD Approved Agreement	1,215,002.50
Total				1,305,002.50

Checking account balance before above checks \$ 3,756,047.95

Outstanding Invoices to Metropolitan Water District at 2/15/23
 Invoice No. 011623-17 \$ 2,030,408.68

REVIEWED
2/20/23
m.x.

Wells Fargo Agency Credit Card Summary									
Statements Dated January 23, 2023									
	T. Barnes	J. Bozigian	D. Chisam	D. Holmes	H. Hughes	M. Knudson	J. Livesay	A. Morris	P. Rose
Administration Supplies/Expenses	\$ -	\$ 44.00	\$ 35.82	\$ 260.46	\$ 39.89	\$ 2.99	\$ -	\$ -	\$ 663.32
HDWB	-	-	-	-	-	-	-	-	-
IT/Engineering Supplies/Expenses	-	-	-	-	-	-	138.89	-	-
Meeting Expenses	-	-	123.37	-	308.33	224.05	-	-	-
Operations Supplies/Expenses	-	-	-	146.88	-	-	-	8.00	87.82
Public Information	-	-	-	-	-	-	-	-	-
Travel/Conferences	-	-	343.03	-	210.48	-	-	-	-
	\$ -	\$ 44.00	\$ 502.22	\$ 407.34	\$ 558.70	\$ 227.04	\$ 138.89	\$ 8.00	\$ 751.14

RECOMMENDED BOARD ORDER 9(a-1)

To the Board of Directors

FOR BOARD ACTION

TREASURER'S REPORT
FOR PERIOD ENDING
JANUARY 31, 2023

The Board of Directors adopted the following board order on
January 28, 2023:

That the Treasurer's Report for the period ending January 31, 2023,
be approved and accepted for filing.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 9(a-1)

02-28-23



STAFF REPORT

TO: <i>Board of Directors</i>	DATE: <i>2/10/23</i>
FROM: <i>Matthew Knudson, General Manager</i>	PREPARED BY: <i>Teresa Yates</i>
SUBJECT: <i>Treasurer's Report for the Month ending January 31, 2023</i>	
REF: <input checked="" type="checkbox"/> Board / <input checked="" type="checkbox"/> Committee Name: <i>Finance</i>	
Meeting Date: <i>2/23/23</i>	Agenda Item: _____
Attachment(s): <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

Reviewed By: General Manager *M.K.* Date *2/13/23*
Agency Attorney _____ Date _____
Assistant General Manager _____ Date _____

REPORT SUMMARY:

The ending balance for total Cash and Investments at January 31, 2023 was \$163,500,550 which is a decrease of \$1,111,015 from the prior month. Yield to Maturity at January 31, 2023 for the total portfolio was 2.489% which is an increase of .136% from the prior month and the average Days to Maturity was 244 days or approximately eight months.

The High Desert Water Bank Capital Account (Met) balance was \$4,030,946 at January 31, 2023.

Antelope Valley-East Kern Water Agency						
Treasurer's Monthly Report						
January 31, 2023						
Total Portfolio Summary, Month Ending January 31, 2023						
Total AVEK Managed and PFM Managed Portfolio						
	Par	Market	Purchase	% of	Days to	
Investments	Value	Value	Price	Portfolio	Maturity	YTM
<i>Wells Fargo & PFM</i>						
Money Market	\$ 8,684,633.83	\$ 8,684,633.83	\$ 8,684,633.83	5.38%	1	0.036%
Government Agencies	48,940,000.00	48,237,280.91	48,803,850.58	29.89%	394	2.692%
Negotiable CDs	6,600,000.00	6,476,971.81	6,600,000.00	4.01%	393	2.260%
Commercial Paper	1,490,000.00	1,474,318.29	1,454,190.45	0.91%	80	3.986%
Corporate Notes	37,193,000.00	36,608,338.14	37,036,684.68	22.68%	365	2.990%
US Treasury Bonds/Notes	11,700,000.00	11,448,359.11	11,656,703.15	7.09%	373	2.094%
LAIF	48,464,954.48	48,464,954.48	48,464,954.48	30.03%	1	2.425%
Total Investments	\$ 163,072,588.31	\$ 161,394,856.57	\$ 162,701,017.17	100.00%	244	2.489%
Cash						
<i>Wells Fargo</i>						
Checking Accounts	\$ 1,283,176.36	\$ 1,283,176.36				
Total	164,355,764.67	162,678,032.93				
Ending Accrued Interest		822,517.03				
Total Cash & Investments	\$ 164,355,764.67	\$ 163,500,549.96				
Total Cash & Investments - 12/31/22	\$ 165,740,107.26	\$ 164,611,565.28				
	January 31, 2023	Fiscal Year				
Total Earnings	(Month Ending)	To Date				
Current Year	369,348.64	1,768,618.24				
Portfolio Yield to Maturity	2.489%	1.839%				

Antelope Valley - East Kern Water Agency
Month End Balances
January 31, 2023

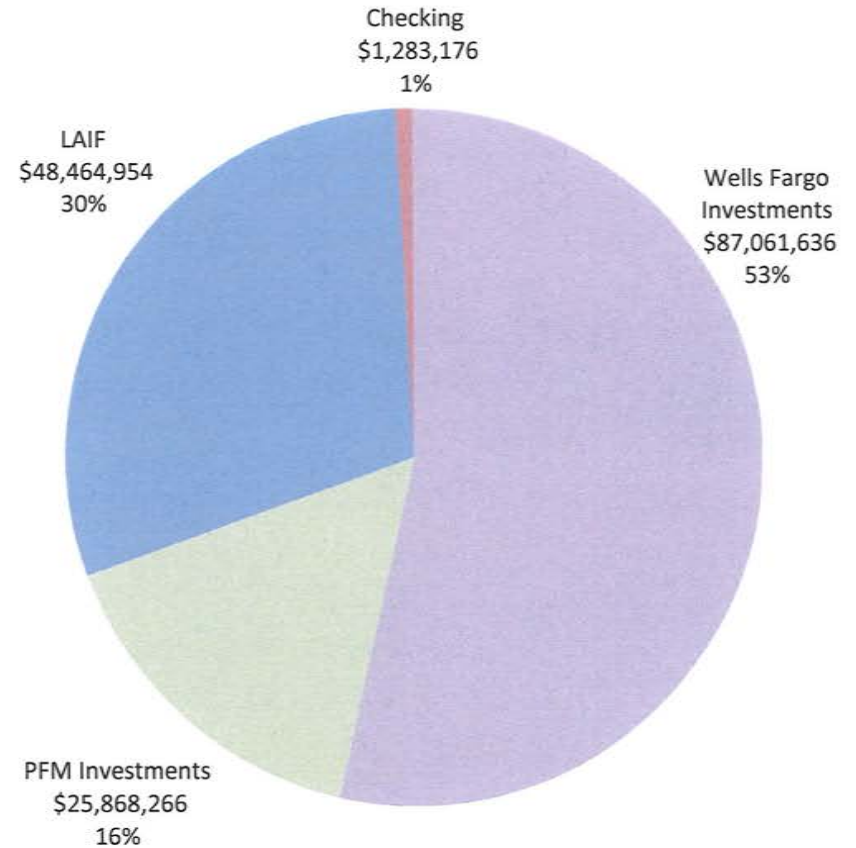
	Balance	YTM
	January 31, 2023	Net of Fees
Wells Fargo Investments	\$ 87,061,636	2.553%
PFM Investments	\$ 25,868,266	2.391%
LAIF	\$ 48,464,954	2.425%
Checking	\$ 1,283,176	0.000%
	<u>\$ 162,678,033</u>	
 HDWB Capital Acct (Met)	 <u>\$ 4,030,946</u>	 0.170%

	Balance	Balance
	December 31, 2022	December 31, 2021
Capital Assets		
Banked Water - Asset	\$ 11,962,574	\$ 15,595,124
Land & Water Rights	\$ 47,922,355	\$ 40,452,024
Construction In Progress	\$ 46,735,143	\$ 18,972,303
Plant & Equipment	\$ 395,393,251	\$ 392,719,969
Accumulated Depreciation	\$ (129,226,661)	\$ (120,860,901)
	<u>\$ 372,786,661</u>	<u>\$ 346,878,519</u>

	Balance	
	January 31, 2023	Term/Maturity
Outstanding COP and Bond Debt		
COP Series 2008 A-2	\$ 45,000,000	30 Yrs/2037
Water Revenue Ref. Bonds, Series 2016	\$ 53,035,000	20 Yrs/2037
CREBs-Revenue Bonds Series 2017	\$ 12,155,000	20 Yrs/2036
	<u>\$ 110,190,000</u>	

	Fiscal YTD	Prior Fiscal YTD
	January 31, 2023	January 31, 2022
Capacity Fees Received	\$ 2,190,653	\$ 1,381,341

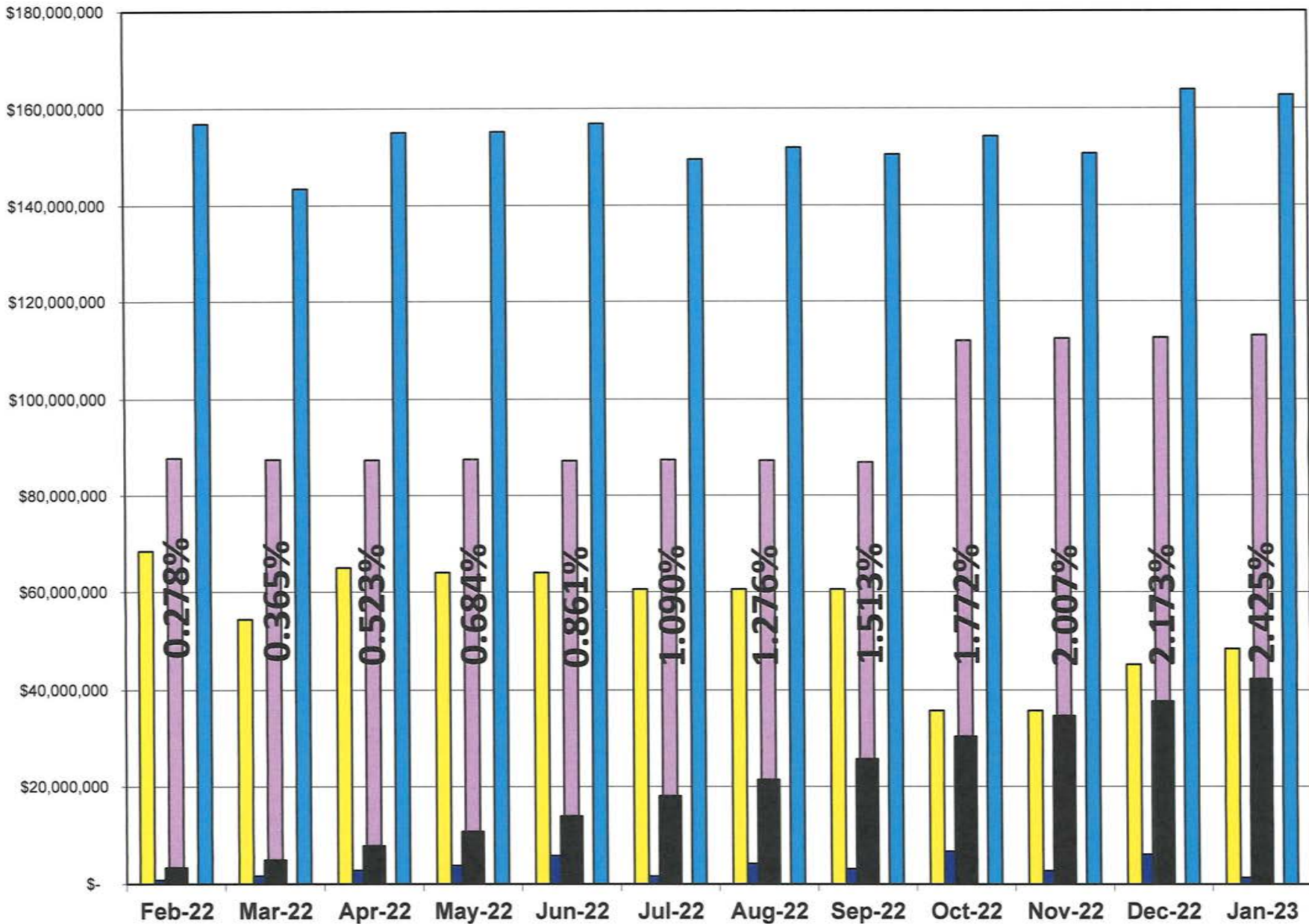
Balances at 1/31/23



AVEK Water Agency

ENTERPRISE FUND CLOSING BALANCES

Dollar Amount



■ LAIF \$48,464,954	■ BANK \$1,283,176	■ SECURITIES \$112,929,902	■ TOTAL \$162,678,033	■ LAIF Int. Rate
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Antelope Valley-East Kern Water Agency						
Treasurer's Monthly Report						
January 31, 2023						
AVEK Portfolio Summary, Month Ending January 31, 2023						
AVEK Managed Portfolio						
	Par	Market	Purchase	% of	Days to	
Investments	Value	Value	Price	Portfolio	Maturity	YTM
<i>Wells Fargo</i>						
Money Market	\$ 5,820,135.41	\$ 5,820,135.41	\$ 5,820,135.41	4.29%	1	0.010%
Government Agencies	42,390,000.00	41,754,109.86	42,272,900.80	30.81%	363	2.513%
Negotiable CDs	6,000,000.00	5,878,287.53	6,000,000.00	4.34%	389	2.104%
Corporate Notes	34,148,000.00	33,609,103.14	33,933,816.92	24.80%	372	3.115%
LAIF	48,464,954.48	48,464,954.48	48,464,954.48	35.76%	1	2.425%
Total Investments	\$ 136,823,089.89	\$ 135,526,590.42	\$ 136,491,807.61	100.00%	221	2.506%
Cash						
<i>Wells Fargo</i>						
General Checking	\$ 1,199,916.83	\$ 1,199,916.83				
HDWB Checking	\$ 83,259.53	\$ 83,259.53				
Total Checking Accounts	\$ 1,283,176.36	\$ 1,283,176.36				
Total	\$ 138,106,266.25	\$ 136,809,766.78				
Ending Accrued Interest		\$ 692,894.68				
Total Cash & Investments	\$ 138,106,266.25	\$ 137,502,661.46				
Total Cash & Investments - 12/31/22	\$ 139,554,703.75	\$ 138,739,807.29				
	January 31, 2023	Fiscal Year				
Total Earnings	(Month Ending)	To Date				
Current Year	\$ 311,862.35	\$ 1,499,449.62				
Portfolio Yield to Maturity	2.506%	1.859%				

Antelope Valley-East Kern Water Agency										
Treasurer's Monthly Report										
January 31, 2023										
AVEK Portfolio Details - Investments, Month Ending January 31, 2023										
AVEK Managed Portfolio										
	Purchase		Maturity	Purchase	Par	Market	Stated			Days to
CUSIP	Date	Issuer	Date	Price	Value	Value	Rate	Moody's	YTM	Mat/Call
Money Market										
		WF Adv Govt		5,820,135.41	5,820,135.41	5,820,135.41	0.010%		0.010%	1
				5,820,135.41	5,820,135.41	5,820,135.41	0.010%		0.010%	1
Government Agencies										
3133ENZ94	11/18/2022	FFCBB	11/18/2024	3,005,670.00	3,000,000.00	3,007,595.13	4.500%	Aaa	4.400%	656
3133ENS43	10/17/2022	FFCBB	10/17/2024	3,001,740.00	3,000,000.00	2,992,412.34	4.375%	Aaa	4.344%	624
3130AFBC0	10/26/2022	FHLBB	9/13/2024	1,955,052.00	2,000,000.00	1,960,255.86	3.250%	Aaa	4.508%	590
3133ENL40	10/26/2022	FFCBB	9/13/2024	1,964,144.00	2,000,000.00	1,970,111.52	3.500%	Aaa	4.503%	590
3133XVDG3	10/13/2022	FHLBB	9/13/2024	2,001,420.00	2,000,000.00	1,996,290.04	4.375%	Aaa	4.334%	590
3130A1XJ2	6/29/2022	FHLBB	6/14/2024	1,492,860.00	1,500,000.00	1,464,099.66	2.875%	Aaa	3.127%	499
3130ATAH0	10/26/2022	FHLBB	3/15/2024	1,974,588.00	2,000,000.00	1,975,888.36	3.640%	Aaa	4.593%	408
3130ATKJ5	10/26/2022	FHLBB	3/8/2024	1,993,768.00	2,000,000.00	1,990,448.02	4.375%	Aaa	4.613%	401
3130ARHG9	5/27/2022	FHLBB	2/28/2024	657,841.80	660,000.00	640,592.99	2.125%	Aaa	2.316%	392
3133ENXF2	5/27/2022	FFCBB	2/23/2024	2,009,480.00	2,000,000.00	1,956,830.18	2.600%	Aaa	2.321%	387
3130AFW94	5/27/2022	FHLBB	2/13/2024	732,044.00	730,000.00	716,084.56	2.500%	Aaa	2.331%	377
3133ENLF5	1/28/2022	FFCBB	1/18/2024	1,992,060.00	2,000,000.00	1,926,322.78	0.900%	Aaa	1.100%	351
3130AAHE1	5/27/2022	FHLBB	12/8/2023	2,007,460.00	2,000,000.00	1,961,099.44	2.500%	Aaa	2.250%	310
3130APXH3	4/21/2022	FHLBB	11/27/2023	1,461,585.00	1,500,000.00	1,450,528.68	0.800%	Aaa	2.442%	299
3130ATWD5	11/17/2022	FHLBB	11/15/2023	2,000,270.00	2,000,000.00	1,996,691.68	4.625%	Aaa	4.611%	287
3133EM6N7	10/28/2021	FFCBB	9/27/2023	1,991,300.00	2,000,000.00	1,940,970.18	0.170%	Aaa	0.398%	238
3130ANYM6	10/28/2021	FHLBB	8/28/2023	1,990,020.00	2,000,000.00	1,946,559.70	0.125%	Aaa	0.398%	208
3130ANYM6	9/17/2021	FHLBB	8/28/2023	1,997,300.00	2,000,000.00	1,946,559.70	0.125%	Aaa	0.194%	208
3133EMH96	9/17/2021	FFCBB	6/14/2023	1,998,640.00	2,000,000.00	1,966,044.78	0.125%	Aaa	0.164%	133
3130AMRY0	6/10/2021	FHLBB	6/2/2023	2,000,078.00	2,000,000.00	1,969,932.64	0.125%	Aaa	0.123%	121
3133EMVP4	4/21/2021	FFCBB	4/13/2023	1,999,760.00	2,000,000.00	1,981,970.78	0.125%	Aaa	0.131%	71
3130AJ7E3	4/21/2021	FHLBB	2/17/2023	2,045,820.00	2,000,000.00	1,996,820.84	1.375%	Aaa	0.116%	16
				42,272,900.80	42,390,000.00	41,754,109.86	2.341%		2.513%	363
Negotiable Certificates of Deposit										
9497633X2	11/28/2022	Wells Fargo Bank NA	11/29/2024	250,000.00	250,000.00	250,681.48	4.850%	*	4.850%	667
90348J7G9	11/23/2022	UBS Bank USA	11/25/2024	250,000.00	250,000.00	250,455.43	4.800%	*	4.800%	663
178180GR0	11/23/2022	City Natl BK-Bev Hills	11/25/2024	250,000.00	250,000.00	250,649.86	4.850%	*	4.850%	663

AVEK Portfolio Details - Investments, Month Ending January 31, 2023

AVEK Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Negotiable Certificates of Deposit (cont)										
30425PAU2	12/2/2022	Fairfield County Bank	6/3/2024	250,000.00	250,000.00	250,158.95	4.900%	*	4.900%	488
61768ENB5	11/25/2022	Morgan Stanley Pvt Bank	5/28/2024	250,000.00	250,000.00	250,211.63	4.800%	*	4.800%	482
48128WSY2	4/29/2022	JP Morgan Chase Bank	4/29/2024	250,000.00	250,000.00	243,021.09	2.400%	*	2.400%	453
52603NAG6	4/29/2022	Lendingclub Bank Utah	4/29/2024	250,000.00	250,000.00	242,326.44	2.200%	*	2.200%	453
02007GQA4	4/28/2022	Ally Bank	4/29/2024	250,000.00	250,000.00	243,767.24	2.650%	*	2.650%	453
38149M5U3	4/27/2022	Goldman Sachs Bank USA	4/29/2024	250,000.00	250,000.00	243,020.30	2.400%	*	2.400%	453
254673B62	4/27/2022	Discover Bank	4/29/2024	250,000.00	250,000.00	243,318.64	2.500%	*	2.500%	453
14042RQV6	4/27/2022	Capital One NA	4/29/2024	250,000.00	250,000.00	243,467.81	2.550%	*	2.550%	453
06740KPS0	4/27/2022	Barclays Bank Delaware	4/29/2024	250,000.00	250,000.00	243,020.30	2.400%	*	2.400%	453
14042TFR3	4/27/2022	Capital One Bank USA NA	4/29/2024	250,000.00	250,000.00	243,467.81	2.550%	*	2.550%	453
02589ACB6	4/27/2022	American Express NB	4/29/2024	250,000.00	250,000.00	243,467.81	2.550%	*	2.550%	453
87165HN89	4/22/2022	Synchrony Bank	4/22/2024	250,000.00	250,000.00	243,122.16	2.400%	*	2.400%	446
47804GHB2	10/29/2021	John Marshall Bank	11/29/2023	250,000.00	250,000.00	240,795.49	0.200%	*	0.200%	301
45338JAG1	11/19/2021	Incrediblebank	11/17/2023	250,000.00	250,000.00	241,463.70	0.350%	*	0.350%	289
41939HBK7	11/12/2021	Haven Savings Bank	11/13/2023	250,000.00	250,000.00	241,324.64	0.200%	*	0.200%	285
947547NK7	10/29/2021	Webbank	10/30/2023	250,000.00	250,000.00	242,006.36	0.350%	*	0.350%	271
26518EAL3	10/29/2021	Dundee Bank	10/30/2023	250,000.00	250,000.00	241,730.56	0.200%	*	0.200%	271
19646PAH7	6/16/2021	Colorado Federal Svgs Bk	6/16/2023	250,000.00	250,000.00	245,845.18	0.100%	*	0.100%	135
33847E4M6	6/16/2021	Flagstar Bank FSB	6/16/2023	250,000.00	250,000.00	245,887.67	0.150%	*	0.150%	135
58404DKR1	6/15/2021	Medallion Bank Utah	6/15/2023	250,000.00	250,000.00	245,846.01	0.100%	*	0.100%	134
740367MY0	2/26/2021	Preferred Bank LA CA	2/27/2023	250,000.00	250,000.00	249,230.97	0.050%	*	0.050%	26
				6,000,000.00	6,000,000.00	5,878,287.53	2.104%		2.104%	389
Corporate Notes										
06406RAX5	10/27/2022	Bank of NY Mellon	10/25/2024	1,730,745.65	1,873,000.00	1,759,127.41	0.850%	A1	4.893%	632
06406RAL1	6/30/2022	Bank of NY Mellon	10/24/2024	1,697,447.50	1,750,000.00	1,678,491.47	2.100%	A1	3.459%	631
61761JVL0	6/30/2022	Morgan Stanley	10/23/2024	1,999,520.00	2,000,000.00	1,965,023.92	3.700%	A1	3.709%	630
94974BGA2	6/30/2022	Wells Fargo & Company	9/9/2024	2,477,000.00	2,500,000.00	2,438,381.78	3.300%	A1	3.739%	586
06051GJX8	11/18/2022	Bank of America Corp	5/28/2024	2,974,500.00	3,000,000.00	2,982,540.00	4.963%	A2	5.467%	482
808513BM6	5/31/2022	Charles Schwab Corp	3/18/2024	1,000,920.00	1,000,000.00	1,000,244.82	4.815%	A2	1.231%	411
717081ES8	10/27/2022	Pfizer Inc	3/15/2024	1,958,996.00	2,000,000.00	1,962,138.78	2.950%	A2	4.493%	408
17275RAN2	10/27/2022	Cisco Systems Inc	3/4/2024	1,678,799.30	1,700,000.00	1,684,989.10	3.625%	A1	4.583%	397
02079KAB3	10/27/2022	Alphabet Inc	2/25/2024	1,973,934.00	2,000,000.00	1,979,941.42	3.375%	AA2	4.393%	389
63743HEU2	10/29/2021	National Rural Util COOP	2/8/2024	1,982,460.00	2,000,000.00	1,910,206.28	0.350%	A2	0.739%	372
6174468W2	1/31/2022	Morgan Stanley	1/25/2024	993,528.00	1,000,000.00	999,019.00	4.758%	A1	1.190%	358

AVEK Portfolio Details - Investments, Month Ending January 31, 2023										
AVEK Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Corporate Notes (cont)										
05724BAB5	1/31/2022	Baker Hughes LLC	12/15/2023	998,668.00	1,000,000.00	968,555.12	1.231%	A3	1.300%	317
48133MDZ0	10/31/2022	JPMorgan Chase & Co	11/30/2023	3,000,000.00	3,000,000.00	2,955,637.23	5.000%	A1	5.000%	302
02665WDP3	6/30/2022	American Honda Finance	9/8/2023	2,495,150.00	2,500,000.00	2,503,632.95	5.155%	A3	2.754%	219
55261FAK0	5/31/2022	M&T Bank Corporation	7/26/2023	2,003,960.00	2,000,000.00	2,000,544.48	5.502%	A3	2.038%	175
46625HJJ0	4/22/2021	JPMorgan Chase & Co	5/1/2023	2,118,820.00	2,000,000.00	1,993,089.42	3.375%	A3	0.425%	89
911312BJ4	6/11/2021	United Parcel Service	4/1/2023	2,208,183.57	2,190,000.00	2,191,969.03	5.204%	A2	0.128%	59
911312BJ4	2/3/2021	United Parcel Service	4/1/2023	641,184.90	635,000.00	635,570.93	5.204%	A2	0.211%	59
				33,933,816.92	34,148,000.00	33,609,103.14	3.703%		3.115%	372
LAIF - Local Agency Investment Pool										
		LAIF		48,464,954.48	48,464,954.48	48,464,954.48	2.425%		2.425%	1
				48,464,954.48	48,464,954.48	48,464,954.48	2.425%		2.425%	1
Total				136,491,807.61	136,823,089.89	135,526,590.42				
*	Principal and accrued interest on negotiable CDs is insured up to the FDIC limit of \$250,000.									
	Book Value is equal to Market Value for all investments.									
	FHLBB - Federal Home Loan Banks Bond									
	FFCBB - Federal Farm Credit Banks Bond									
	All investments were made in accordance with the Antelope Valley - East Kern Water Agency Investment Policy and Guidelines.									

Antelope Valley-East Kern Water Agency								
Treasurer's Monthly Report								
January 31, 2023								
AVEK Transactions, Month Ending January 31, 2023								
AVEK Managed Portfolio								
	Purchase		Mat/Call	Par	Stated	Total Int		Earnings
CUSIP	Date	Issuer	Date	Value	Rate	Earned	Days	%
Government Agencies								
Purchases								
No purchases during January 2023								
Maturities/Calls								
3133EMML3	2/2/2021	FFCBB	1/12/2023	2,000,000	0.120%	4,667	709	0.118%
				2,000,000	0.120%	4,667	709	0.118%
Negotiable Certificates of Deposit								
Purchases								
No purchases during January 2023								
Maturities/Calls								
No maturities during January 2023								
Corporate Notes								
Purchases								
No purchases during January 2023								
Maturities/Calls								
No maturities during January 2023								
Transfers								
From Account	Date	To Account	Amount					
No transfers during January 2023								

Antelope Valley-East Kern Water Agency						
Treasurer's Monthly Report						
January 31, 2023						
PFM Portfolio Summary, Month Ending January 31, 2023						
PFM Managed Portfolio						
	Par	Market	Purchase	% of	Days to	
	Value	Value	Price	Portfolio	Maturity	YTM
Investments						
<i>PFM</i>						
Money Market	\$ 2,864,498.42	\$ 2,864,498.42	\$ 2,864,498.42	11.07%	1	0.090%
Negotiable CDs	600,000.00	598,684.28	600,000.00	2.31%	436	3.823%
Commercial Paper	1,490,000.00	1,474,318.29	1,454,190.45	5.70%	80	3.986%
Corporate Notes	3,045,000.00	2,999,235.00	3,102,867.76	11.59%	282	1.585%
Federal Agency Bonds/Notes	6,550,000.00	6,483,171.05	6,530,949.78	25.06%	596	3.850%
US Treasury Bonds/Notes	11,700,000.00	11,448,359.11	11,656,703.15	44.26%	373	2.094%
Total Investments	\$ 26,249,498.42	\$ 25,868,266.15	\$ 26,209,209.56	100.00%	357	2.401%
					Net of Associated Fees	2.391%
Ending Accrued Interest		129,622.35				
Total Cash & Investments	\$ 26,249,498.42	\$ 25,997,888.50				
Total Cash & Investments - 12/31/22	\$ 26,185,403.51	\$ 25,871,757.99				
	January 31, 2023	Fiscal Year				
	(Month Ending)	To Date				
Total Earnings						
Current Year	57,486.29	269,168.62				
Portfolio Yield to Maturity	2.401%	1.737%				
Fees						
PFM Asset Mgt - 12/1/22 to 12/31/22	2,208.49	15,194.79				
BNY Mellon - 12/1/22 to 12/31/22	250.00	1,750.00				
Total Fees	2,458.49	16,944.79				
	0.010%	0.066%				

Antelope Valley-East Kern Water Agency										
Treasurer's Monthly Report										
January 31, 2023										
PFM Portfolio Details - Investments, Month Ending January 31, 2023										
PFM Managed Portfolio										
	Purchase		Maturity	Purchase	Par	Market	Stated			Days to
CUSIP	Date	Issuer	Date	Price	Value	Value	Rate	Moody's	YTM	Mat/Call
Money Market										
		Federated Govt Oblig FD		2,864,498.42	2,864,498.42	2,864,498.42	0.090%	Aaa	0.090%	1
				2,864,498.42	2,864,498.42	2,864,498.42	0.090%		0.090%	1
Negotiable Certificates of Deposit										
89115B6F2	10/31/2022	Toronto Dominion Bank NY	10/25/2024	400,000.00	400,000.00	399,778.88	5.470%	A1	5.440%	632
22552G3C2	3/23/2021	Credit Suisse NY	3/17/2023	200,000.00	200,000.00	198,905.40	0.590%	P-2	0.590%	44
				600,000.00	600,000.00	598,684.28	3.843%		3.823%	436
Commercial Paper										
62479MT94	9/14/2022	MUFG Bank LTD/NY	6/9/2023	678,999.22	700,000.00	688,149.00	0.000%	P-1	4.150%	128
63873KOA8	9/12/2022	Natixis NY	3/10/2023	775,191.23	790,000.00	786,169.29	0.000%	P-1	3.840%	37
				1,454,190.45	1,490,000.00	1,474,318.29	0.000%		3.986%	80
Corporate Notes										
025816CG2	8/3/2022	American Express Co	7/30/2024	196,430.00	200,000.00	192,756.60	2.500%	A2	3.430%	545
14913Q2V0	5/23/2022	Caterpillar Financial	5/17/2024	199,788.00	200,000.00	195,312.20	2.850%	A2	2.910%	471
459200JY8	6/17/2022	IBM Corp	5/15/2024	183,037.15	185,000.00	180,750.18	3.000%	A3	3.580%	469
20030NCR0	6/17/2022	Comcast Corp	4/15/2024	185,540.20	185,000.00	182,835.69	3.700%	A3	3.530%	439
38141GZP2	5/23/2022	Goldman Sachs Group Inc	3/15/2024	198,826.00	200,000.00	195,533.60	3.000%	A2	3.340%	408
06406HCS6	2/10/2022	Bank of NY Mellon	2/4/2024	28,042.20	27,000.00	26,680.51	3.650%	A1	1.660%	368
06406HCS6	2/10/2022	Bank of NY Mellon	2/4/2024	361,404.96	348,000.00	343,882.12	3.650%	A1	1.670%	368
172967HD6	11/8/2021	Citigroup Inc	10/25/2023	186,299.75	175,000.00	173,769.05	3.875%	A3	0.560%	266
89236TDK8	11/12/2021	Toyota Motor Credit Corp	10/18/2023	206,564.00	200,000.00	196,354.40	2.250%	A1	0.540%	259
02665WDM0	11/8/2021	American Honda Finance	9/8/2023	200,302.00	200,000.00	195,001.00	0.650%	A3	0.570%	219
06053FAA7	8/9/2021	Bank of America	7/24/2023	375,284.00	350,000.00	348,722.85	4.100%	A2	0.390%	173
166764BV1	2/10/2022	Chevron Corp	5/11/2023	199,898.00	200,000.00	197,876.60	1.141%	Aa2	1.180%	99
037833DV9	11/8/2021	Apple Inc	5/11/2023	376,987.50	375,000.00	370,584.00	0.750%	Aaa	0.400%	99
05531FBJ1	11/12/2021	BB&T Corporation	3/16/2023	204,464.00	200,000.00	199,176.20	2.200%	A3	0.530%	43
				3,102,867.76	3,045,000.00	2,999,235.00	2.601%		1.585%	282

PFM Portfolio Details - Investments, Month Ending January 31, 2023

PFM Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Federal Agency Bonds/Notes										
3133EN4N7	1/4/2023	FFCB Notes	12/20/2024	2,485,350.00	2,500,000.00	2,496,565.00	4.250%	Aaa	4.560%	688
3133ENZ94	12/7/2022	FFCB Notes	11/18/2024	499,780.00	500,000.00	500,640.00	4.500%	Aaa	4.520%	656
3133ENP79	9/30/2022	FFCB Notes	9/26/2024	998,120.00	1,000,000.00	996,727.00	4.250%	Aaa	4.350%	603
3130ASME6	8/3/2022	FHLB Notes	7/8/2024	800,856.00	800,000.00	782,776.80	3.000%	Aaa	2.940%	523
3130ASME6	7/11/2022	FHLB Notes	7/8/2024	139,487.18	140,000.00	136,985.94	3.000%	Aaa	3.190%	523
3130ASME6	7/8/2022	FHLB Notes	7/8/2024	109,786.60	110,000.00	107,631.81	3.000%	Aaa	3.100%	523
3133ENWP1	5/19/2022	FFCB Notes	5/16/2024	1,497,570.00	1,500,000.00	1,461,844.50	2.625%	Aaa	2.710%	470
				6,530,949.78	6,550,000.00	6,483,171.05	3.697%		3.850%	596
US Treasury Bonds/Notes										
91282CFG1	9/30/2022	US Treasury N/B	8/31/2024	1,473,691.41	1,500,000.00	1,472,812.50	3.250%	Aaa	4.210%	577
91282CFG1	9/14/2022	US Treasury N/B	8/31/2024	594,234.38	600,000.00	589,125.00	3.250%	Aaa	3.760%	577
91282CFA4	8/3/2022	US Treasury N/B	7/31/2024	1,002,031.25	1,000,000.00	978,437.50	3.000%	Aaa	2.890%	546
91282CER8	6/7/2022	US Treasury N/B	5/31/2024	2,190,117.19	2,200,000.00	2,139,843.64	2.500%	Aaa	2.730%	485
9128286G0	3/23/2022	US Treasury Notes	2/29/2024	1,906,085.94	1,900,000.00	1,852,796.78	2.375%	Aaa	2.200%	393
91282CDV0	2/9/2022	US Treasury N/B	1/31/2024	1,783,617.19	1,800,000.00	1,731,937.50	0.875%	Aaa	1.340%	364
91282CBU4	4/30/2021	US Treasury Notes	3/31/2023	1,499,003.91	1,500,000.00	1,489,218.75	0.125%	Aaa	0.160%	58
912828ZD5	3/19/2021	US Treasury Notes	3/15/2023	1,207,921.88	1,200,000.00	1,194,187.44	0.500%	Aaa	0.170%	42
				11,656,703.15	11,700,000.00	11,448,359.11	1.897%		2.094%	373
Total				26,209,209.56	26,249,498.42	25,868,266.15				
All investments were made in accordance with the Antelope Valley - East Kern Water Agency Investment Policy and Guidelines.										

Antelope Valley-East Kern Water Agency								
Treasurer's Monthly Report								
January 31, 2023								
PFM Transactions, Month Ending January 31, 2023								
PFM Managed Portfolio								
CUSIP	Purchase Date	Issuer	Mat/Call Date	Par Value	Stated Rate	Total Int Earned	Days	Earnings %
<u>Negotiable Certificates of Deposit</u>								
<u>Purchases</u>								
no purchases during January 2023								
<u>Maturities/Calls</u>								
no maturities during January 2023								
<u>Commercial Paper</u>								
<u>Purchases</u>								
no purchases during January 2023								
<u>Maturities/Calls</u>								
no maturities during January 2023								
<u>Corporate Notes</u>								
<u>Purchases</u>								
no purchases during January 2023								
<u>Maturities/Calls</u>								
61744YAN8	2/10/2022	Morgan Stanley	1/23/2023	\$ 200,000	3.125%	\$ 5,955	347	3.089%
				\$ 200,000	3.125%	\$ 5,955		3.089%

PFM Transactions, Month Ending January 31, 2023								
PFM Managed Portfolio								
CUSIP	Purchase Date	Issuer	Mat/Call Date	Par Value	Stated Rate	Total Int Earned	Days	Earnings %
Federal Agency Bonds/Notes								
Purchases								
3133EN4N7	1/4/2023	FFCB Notes	12/20/2024	2,500,000	4.250%			
				2,500,000	4.250%			
Maturities/Calls								
no maturities during January 2023								
US Treasury Bonds/Notes								
Purchases								
no purchases during January 2023								
Maturities/Calls								
91282CBG5	2/19/2021	US Treasury Notes	1/31/2023	\$ 2,500,000	0.125%	\$ 6,086	711	0.123%
				\$ 2,500,000	0.125%	\$ 6,086		0.123%
Transfers								
From Account	Date	To Account	Amount					
no transfers during January 2023								

RECOMMENDED BOARD ORDER 9(b-1)

To the Board of Directors

FOR BOARD ACTION

**APPROVE PROPOSED PILOT WATER BANKING AGREEMENT
WITH SANTA CLARA VALLEY WATER DISTRICT**

The Board of Directors adopted the following board order on
January 28, 2023:

To approve the proposed Pilot Water Banking Agreement between
AVEK and Santa Clara Valley Water District, as presented and
recommended.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 9(b-1)

02-28-23

9(b-1)

PILOT WATER BANKING STORAGE AGREEMENT BETWEEN ANTELOPE VALLEY-EAST KERN WATER AGENCY AND SANTA CLARA VALLEY WATER DISTRICT

THIS PILOT WATER BANKING STORAGE AGREEMENT is entered into by and between ANTELOPE VALLEY-EAST KERN WATER AGENCY (“AVEK”) and SANTA CLARA VALLEY WATER DISTRICT (“Valley Water”) (“Agreement”). AVEK and Valley Water may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

A. AVEK is a water agency formed in 1959 pursuant to the Antelope Valley-East Kern Water Agency Law codified as Chapter 98 of the Appendices to the California Water Code. It includes approximately 2,400 square miles within its boundaries. AVEK has, among other things, contracted for a water supply with the California Department of Water Resources (“DWR”) providing for delivery to AVEK of Table A water from the California State Water Project (“Table A Water”).

B. Valley Water is a public agency formed under the Santa Clara Valley Water District Act (Stats. 1951, Chapter 1405, codified as Chapter 60 of the Appendices to the California Water Code). Valley Water seeks to enter into a pilot program to augment its water supplies by arranging for delivery to AVEK of State Water Project (SWP) water (“Storage Water”) that is available to Valley Water and the return by AVEK of a quantity of SWP water (“Return Water”) to Valley Water by exchange with AVEK’s Table A water, other SWP or non-SWP supplies, SWP water stored in San Luis Reservoir, or by direct pump-back to the California Aqueduct East Branch and exchange with SWP water, as authorized by DWR. Exchange with AVEK’s SWP water will be prioritized; however, if this option is not available, then AVEK will return water by direct pump-bank.

C. This Pilot Water Banking Storage Project (Project) will demonstrate if a Project of this type will improve the operational flexibility of the respective water supplies for the benefit of both Parties. The Parties agree that it is mutually advantageous to develop a water storage program as provided in this Agreement, whereby AVEK will accept Storage Water on Valley Water’s behalf and furnish Return Water to Valley Water upon reasonable request.

D. This Project is intended to demonstrate the feasibility of Valley Water storing SWP supplies in AVEK’s facilities and having it returned reasonable upon request. The Agreement will also demonstrate a process to improve the operational coordination of both AVEK’s and Valley Water’s water supplies, increasing the reliability of both agency’s supplies.

ARTICLE 1. DEFINITIONS

As used in this Agreement, each of the following terms shall have the respective meaning given to it in this Article 1 unless expressly stated to the contrary where such term is used.

1.1 **“Agreement”** means this Agreement between AVEK and Valley Water for a Pilot Water Banking Storage and Exchange Program, as amended or supplemented by the Parties.

1.2 **“Antelope Valley Adjudication”** means Coordination Proceeding Special Title (Rule 1550(b)) ANTELOPE VALLEY GROUNDWATER CASES Judicial Council Coordination Proceeding No. 4408.

1.3 **“Assumed Storage Loss”** means an assumed ten percent (10%) loss of any Storage Water delivered to an AVEK Point of Delivery.

1.4 **“Antelope Valley Groundwater Basin”** means the groundwater basin underlying the lands within the boundaries of AVEK, which is the same basin described in the Antelope Valley Groundwater Adjudication.

1.5 **“AVEK Point(s) of Delivery”** means any of AVEK’s authorized turnouts on the California Aqueduct, East Branch, or at Reach 18A to 22B, or any other point of delivery agreed to by the Parties.

1.6 **“DWR”** means the Department of Water Resources of the State of California.

1.7 **“Late Arising Claim”** shall have the meaning set forth in Section 6.2 (Pending and Late Arising Claims).

1.8 **“Pilot Program”** means the storage, return, or exchange of water provided for in this Agreement.

1.9 **“Return Water”** means water which is returned to Valley Water at Valley Water’s Point(s) of Delivery pursuant to this Agreement, which is to be debited pursuant to Section 2.5 (Storage Account and Return Water). Return water is to be delivered to Valley Water through either an exchange SWP or non-SWP supplies or by water returned into the California Aqueduct, as authorized by DWR under an approved AVEK’s Pump-In Agreement.

1.10 **“State Water Contract”** means the long-term water supply contracts entered into by Valley Water and AVEK, respectively, with DWR.

1.11 **“Storage Account” or “Valley Water Storage Account”** means the account maintained by the Parties in trust for the benefit of Valley Water pursuant to this Agreement.

1.12 **“Storage Account Balance”** means the difference between the credits and debits in the Storage Account.

1.13 **“Storage Water”** means Valley Water’s State Water Project (SWP) water which is delivered to AVEK’s Point of Delivery pursuant to this Agreement.

1.14 **“Termination Date”** means December 31, 2027, unless extended by mutual agreement.

1.15 **“Valley Water’s Agreement Administrator”** means Valley Water’s employee in charge of coordinating the provisions of this Agreement with AVEK.

1.16 **“Valley Water Point(s) of Delivery”** means the any of the following – Reach 9 of the South Bay Aqueduct, San Luis Reservoir, or the O’Neill Forebay.

1.17 **“Year”** means a calendar year commencing on January 1 and ending on December 31.

ARTICLE 2. STORAGE AND RETURN WATER

2.1 Storage of Water.

The Parties shall arrange for the delivery of its Storage Water to AVEK’s Point of Delivery to be credited to Valley Water’s Storage Account.

2.2 Storage Water Amounts.

Pursuant to this Agreement, Valley Water may deliver over the term of this Agreement, up to a total of 15,000 acre-feet of water to AVEK storage facilities. In any year in which Valley Water delivers storage water to AVEK, the Storage Account will be adjusted to reflect the amount of water delivered less the Assumed (10%) Storage Loss. (Thus, the maximum amount of Storage Water that may be delivered to, or banked in, the Valley Water Storage Account over the course of the Agreement term, after taking into account the Assumed Storage Loss, will be 13,500 acre-feet.)

2.3 Scheduling of Storage Water.

In each year of this Agreement, by April 1st, Valley Water shall submit a proposed schedule to AVEK for delivery of its Storage Water; said delivery of Storage Water to AVEK will be in accordance with a mutually acceptable schedule, subject to DWR’s approval. Upon AVEK’s concurrence, no later than thirty (30) days in advance of the date Valley Water proposes to commence delivery, Valley Water shall submit a final proposed schedule to AVEK and DWR for delivery of Storage Water for that year. The Parties agree that, subject to DWR agreement or concurrence, any of AVEK’s SWP supplies delivered to AVEK may be reclassified as Valley Water Storage Water delivered to AVEK for storage under the terms of the Agreement.

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2.4 Return Water Amounts, Scheduling and Delivery.

2.4.1 All water in the Valley Water Storage Account shall be returned by the Termination Date consistent with Section 2.4.7 and Section 6.1.2.

2.4.2 Upon request by Valley Water, the Parties agree to make good faith efforts to facilitate the delivery of Return Water to Valley Water, subject to DWR's approval (and/or the Bureau of Reclamation's approval if necessary). The Parties agree Return Water may be made available and delivered to Valley Water either through an exchange for AVEK's SWP Water or other SWP or non-SWP supplies, or by the direct return of Storage Water by pump-in to the California Aqueduct, or other means agreed to by the Parties.

2.4.3 The Parties agree to test, or accommodate, the return of Storage Water using both return methods described in this Agreement.

2.4.4 The Parties agree that Stored water may be delivered and returned in the same year.

2.4.6 The Parties agree that Return Water shall in no event be greater than the balance of Storage Water in the Valley Water Storage Account.

2.4.7 The Parties agree that the remaining balance in the Valley Water Storage Account can be transferred to an exclusive High Desert Water Bank Account subject to Antelope Valley Watermaster approval, and completion of a final water storage agreement for the High Desert Water Bank.

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2.5 Valley Water Storage Account and Return Water.

2.5.1 The Parties agree to establish a Valley Water Storage Account. AVEK shall take control and possession of Valley Water's Storage Water at the AVEK Point of Delivery and shall credit the Valley Water Storage Account in an amount equal to the water so delivered, less the Assumed Storage Loss (10%). Valley Water shall not receive any permanent storage rights within the Antelope Basin as a result of this Agreement.

2.5.2 The Parties agree to accurately maintain records of the Valley Water Storage Account. All records shall be subject to audit, review, reconciliation, by the Parties upon reasonable notification to either Party.

2.5.3 Upon delivery of Return Water to Valley Water's Point of Delivery, the Valley Water storage account shall be debited in an amount equal to the water so delivered.

2.6 Representations and Warranties of AVEK.

As a material inducement to Valley Water to enter into this Agreement AVEK represents, warrants and covenants that (i) it has the legal authority to enter into this Agreement, and (ii) that litigation relating to the AVEK Basin, including but not limited to, the AVEK Basin Area adjudication, does not (a) affect its ability to perform its obligations under this Agreement, (b) impair the validity of this agreement, or (c) impair the rights of any entity described in subsection (d) of Section 4.1 (AVEK Responsibilities). In this connection, however, the Parties acknowledge that paragraph 14 of the Judgment and Physical Solution entered in the Antelope Valley Adjudication places certain limitations upon water storage including, without limitation; obtaining the Watermaster's agreement for new banking projects and new exchange agreements; a requirement that storage agreements expressly preclude operations which will cause material injury to any producer; a prohibition against AVEK exporting its locally-stored Table A State Water Project water to any area outside its jurisdictional boundaries and the Basin when all water demands within AVEK's jurisdictional boundaries have not been met.

ARTICLE 3. STORAGE COMPENSATION

3.1 Payment Obligations & Transportation Costs.

Valley Water shall compensate AVEK for its groundwater banking operations, i.e., storage of and return of water, solely by payment of the herein described amounts when AVEK delivers Return Water to Valley Water.

If AVEK returns Return Water to Valley Water via an exchange of its SWP Table A water, SWP water stored in San Luis Reservoir, or other SWP or non-SWP water, Valley Water will pay AVEK \$300 per acre-foot of Return Water delivered to the Valley Water Point of Delivery.

If AVEK returns Return Water to Valley Water via direct pump-in to the California Aqueduct, as authorized by DWR, Valley Water will pay AVEK the greater of: (1) \$300 per acre-foot of Return water; or (2) AVEK's actual cost to extract such groundwater and transport it to the AVEK's Point of Delivery and, if needed, treat such water to meet DWR water quality standards.

Valley Water is responsible for all variable energy costs assessed by DWR to transport its Storage Water to the AVEK Point of Delivery and for all variable energy costs assessed by DWR to transport Return Water to Valley Water's Point of Delivery. The Parties anticipate that DWR will credit Valley Water for the variable energy charges assessed by DWR for the delivery of Storage Water to AVEK when Valley Water subsequently takes delivery of Return Water at one of the Valley Water Points of Delivery.

3.2 Payment Schedule.

For payment obligations incurred pursuant to Subsection 3.1 (Payment Obligations), AVEK will invoice Valley Water after the Parties effectuate the delivery of Return Water to a Valley Water Point of Delivery. AVEK may bill Valley Water no more frequently than monthly. Payments from Valley Water shall be due to AVEK and shall become delinquent forty-five (45) days after Valley Water receives the invoice under the terms of this Agreement. Data supporting the amounts delivered shall be provided upon the request of the Parties.

3.3 Billing.

AVEK shall submit invoices to Valley Water's Accounts Payable Section, whose mailing address is Santa Clara Valley Water District, PO Box 20670, San Jose, CA 95160-0670.

ARTICLE 4. DIVISION OF RISK RESPONSIBILITIES

AVEK and Valley Water agree to cooperate in reducing, to the greatest extent practicable, the risk from claims arising against any of the Parties from implementation of this Agreement. In the event of claims by third parties relating to this Agreement, the responsibilities of AVEK and Valley Water shall be divided as follows:

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4.1 **AVEK Responsibilities.**

AVEK shall defend, indemnify and hold harmless Valley Water and its directors, officers, agents, employees and volunteers against any and all losses, claims, demands and causes of action (herein collectively referred to as "claims") and will assume responsibility for payment of any settlements, judgments, costs and attorneys' fees arising from claims concerning the following:

- (a) Control, carriage, transportation, handling, use, disposal, or distribution of Storage Water once furnished by Valley Water to the Point of Delivery to AVEK;
- (b) Control, carriage, transportation, handling, use disposal, or distribution of Return Water to the Point of Delivery to Valley Water;
- (c) Any contest or dispute by any water purveyor, landowner, water user or groundwater rights holder with the AVEK service area or within or overlying the AVEK Basin concerning any disposition of the Storage Water by AVEK;
- (d) Actions of AVEK's officers, employees or agents; and
- (e) Any other activities under the exclusive control of AVEK.

If Valley Water is named in any such action, it may submit its defense to AVEK, which shall bear the full cost of defense, except to the extent that Valley Water utilizes its own counsel for such defense. Valley Water shall not be entitled to any indemnification from AVEK except as set forth in this Section 4.1 (AVEK Responsibilities).

4.2 **Valley Water Responsibilities.**

Valley Water shall defend, indemnify, and hold harmless AVEK and its directors, officers, agents, employees, and volunteers against any and all claims and shall assume responsibility for payment of any settlements, judgments, costs and attorneys' fees arising from claims concerning the following:

- (a) Control, carriage, transportation, handling, use, disposal, or distribution of Storage Water to the Point of Delivery to AVEK and Return Water from the Point of Delivery to Valley Water;
- (b) Any claim or dispute by a landowners, resident, public agency or other entity within the service area of, or otherwise served by, Valley Water challenging the exchange, storage, or this Agreement directly or indirectly;
- (c) Operation of Valley Water's facilities or the actions of the officers, employees or agents of Valley Water and;
- (d) Any other activities under the exclusive control of Valley Water.

If AVEK is named in any such action, it may submit its defense to Valley Water, which shall bear the full cost of defense, except to the extent that AVEK utilizes its own counsel for such defense. AVEK shall not be entitled to any indemnification from Valley Water except as set forth in this Section 4.2 (Valley Water Responsibilities).

4.3 Multiple Claims.

In the event that payments are made in settlement of a claim, in satisfaction of a judgment or for defense costs where the claim arises from issues applying to both AVEK and Valley Water, payments shall be divided in proportion to the relative liability of each arising from the common claim.

ARTICLE 5. DISPUTE RESOLUTION

5.1 Informal Mediation.

In the event of a dispute between the Parties regarding this Agreement, the Parties will attempt to resolve the dispute by using the services of a mutually acceptable mediator. The Parties will equally share the mediator's fees and expenses.

ARTICLE 6. TERM OF AGREEMENT

6.1 Agreement Termination.

6.1.1 Subject to Section 6.1.2 below, this Agreement shall terminate on the Termination Date (December 31, 2027) unless extended pursuant to Section 6.2 (Pending and Late Arising Claims), Section 8.7 (Force Majeure), or unless extended by mutual agreement, expressed in writing, by both AVEK and Valley Water, as set forth in Section 6.3.

6.1.2 Notwithstanding Section 6.1.1, if all the Storage Water in the Valley Water Storage Account has not been returned to Valley Water by the Termination Date, this Agreement shall automatically continue and remain in full force and effect until such time as all Valley Water Storage Water has been returned to Valley Water as Return Water or otherwise purchased, transferred, exchanged, or otherwise disposed of by mutual agreement so that Valley Water's Storage Account has a zero balance.

6.2 Pending and Late Arising Claims.

If a claim arising under or with respect to one or more terms of this Agreement has not been resolved when such term terminates, or if such a claim is brought after this Agreement has terminated but within the period of time for bringing such a claim under California law ("Late Arising Claim"), the provisions of this Agreement shall continue in full force and effect for such additional period of time as is necessary to resolve such claims and to satisfy the rights and obligations of the Parties hereto with respect thereto.

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6.3 Extension of Agreement Term.

The term of this Agreement may be extended by mutual agreement of the Parties, expressed in writing, and duly authorized by their principals.

ARTICLE 7. REMEDIES

7.1 Remedies in the Event of AVEK's Failure to Perform.

7.1.1 The Parties agree that either Party can terminate the agreement with 90 days written notice. Upon notice by either Party, the Parties agree to cooperate to return any remaining storage water within 12-Months of the effective date of the termination.

ARTICLE 8. MISCELLANEOUS PROVISIONS

8.1 Successors and Assigns.

This Agreement shall bind and inure to the benefit of the successors and assigns of the Parties; provided, however, neither Party shall assign any of their rights or obligations under this Agreement without the prior written consent of the other. Nothing in this Agreement is intended to confer any right or remedy under this Agreement on any person other than the Parties to this Agreement and their respective successors and permitted assigns, or to relieve or discharge any obligation or liability of any person to any Party to this Agreement, or to give any person any right of subrogation or action over or against any Party to this Agreement.

8.2 No Modification of Existing Contracts.

This Agreement shall not be interpreted to modify the terms or conditions of either the water supply contracts between DWR and Valley Water and between DWR and AVEK.

8.3 Waiver/Cure of Defaults.

The failure of any Party to enforce against the other a provision of this Agreement shall not constitute a waiver of that Party's right to enforce such a provision at a later time. No Party shall be deemed to be in default of any provision of this Agreement unless the other Party has given written notice specifically stating the alleged default and the Party in default fails to cure the default within thirty (30) days of receipt of such written notice.

8.4 Construction of Agreement.

The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the Parties hereto and Section 1654 of the Civil Code has no application to interpretation of this Agreement. The recitals and all exhibits and schedules to this Agreement are part of this Agreement and are incorporated herein by this reference. When required by the context: whenever the singular number is used in this Agreement, the same shall include the plural, and the plural shall include the singular;

and the masculine gender shall include the feminine and neuter genders and vice versa. Unless otherwise required by the context (or otherwise provided herein): the words “herein”, “hereof” and “hereunder” and similar words shall refer to the Agreement generally and not merely to the provision in which such term is used; the word “person” shall include individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority and other entity of whatever nature; each of the words “Valley Water” and “AVEK” shall include the respective representatives, successors and permitted assigns, if any, of such person; the words “including”, “include” or “includes” shall be interpreted in a non-exclusive manner as though the words “but [is] not limited to” or “but without limiting the generality of the foregoing” immediately followed the same; the word “month” shall mean calendar month; and the term “business day” shall mean any day other than a Saturday, Sunday or legal holiday. If the day on which performance of any act or the occurrence of any event hereunder is due is not a business day, the time when such performance or occurrence shall be due shall be the first business day occurring after the day on which performance or occurrence would otherwise be due hereunder. All times provided in this Agreement for the performance of any act will be strictly construed, time being of the essence of this Agreement.

8.5 Entire Agreement.

This Agreement constitutes the final, complete and exclusive statement of the terms of the agreement among the Parties pertaining to the matters provided herein during the term and supersedes all prior and contemporaneous understandings or agreements of the Parties related thereto. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

8.6 Severability.

In the event that a court of competent jurisdiction determines that a provision included in this agreement is legally invalid or unenforceable and such decision becomes final, the Parties to this Agreement shall use their best efforts to (i) within thirty (30) days of the date of such final decision identify by mutual agreement the provisions of this Agreement which must be revised, and (ii) within three (3) months thereafter promptly agree on the appropriate revision(s). The time periods specified above may be extended by mutual agreement of the Parties. Pending the completion of the actions designated above, to the extent it is reasonably practical and can be done without violating any applicable provisions of law, the provisions of this Agreement, which were not found to be legally invalid or unenforceable in the final decision, shall continue in effect. If the Parties cannot agree on appropriate revisions, this Agreement shall be terminated and the Parties will return any water owed to each other.

8.7 Force Majeure.

All obligations of the Parties other than monetary or payment obligations shall be suspended for so long as and to the extent the performance thereof is prevented, directly or indirectly, by earthquakes, fires, tornadoes, facility failures, floods, strikes, other casualties, acts

of God, orders of court or governmental agencies having competent jurisdiction, or other events or causes beyond the control of the Parties. In no event shall any liability accrue against a Party, to its officers, agents or employees, for any damage arising out of or connected with a suspension of performance pursuant to this Section 8.7. All time limits to perform and the term of the Agreement shall be extended by a period equivalent to the length of suspension.

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8.8 Notices.

All notices, requests and demands hereunder (“Notices”) shall be in writing, including electronic communications, and shall be deemed to have been duly given when delivered (or, if mailed, postage prepaid, on the third business day after mailing if that date is earlier than actual delivery). Notices shall be sent to a Party at the address of that Party set forth below or, if such Party has furnished notice of a change of that address as herein provided, to the address of that Party most recently so furnished.

Notices of AVEK shall be sent to:

Matthew Knudson
General Manager
AVEK
6500 West Avenue N
Palmdale, California 93551
mknudson@avek.org

Notices for Valley Water shall be sent to:

Cindy Kao
Unit Manager, Imported Water Unit
Santa Clara Valley Water District
5750 Almaden Expressway, San Jose, California 95718
ckao@valleywater.org

8.9 Further Assurances.

Each party hereto, upon the request of the other, agrees to perform such further acts and to execute and deliver such other documents as are reasonably necessary to carry out the provisions of this instrument.

8.10 Duly Authorized.

The undersigned hereby represent that they are duly authorized to enter into this agreement on behalf of their respective agencies and that their execution of this Agreement binds their respective agencies.

8.11 Counterparts.

This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

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ARTICLE 9. OBTAINING REGULATORY APPROVALS, ENVIRONMENTAL COMPLIANCE, AND RELATED COSTS

9.1 DWR Approval.

AVEK and Valley Water will cooperate with and assist each other, as necessary, in obtaining all necessary approvals from DWR or any other necessary agency to effectuate the delivery, return, or exchange of Storage Water and Return Water between them. This includes the preparation, review, and execution of additional conveyance or delivery agreements with DWR. Valley Water shall be responsible for payment of any charges imposed by DWR for the preparation and processing of DWR's approvals or agreements. Valley Water and AVEK shall each be responsible for their own costs incurred in the preparation, review, and implementation of any agreement with DWR or any other necessary agency.

9.2 Other Regulatory Approvals.

AVEK will be responsible to obtain all other regulatory approvals, as may be required, for the delivery of Storage Water to AVEK.

9.3 CEQA Compliance.

The parties are each independently responsible for ensuring compliance with all applicable laws relating to this Agreement, including but not limited to, environmental review laws such as CEQA, and shall bear their own CEQA compliance and filing costs.

[SIGNATURE PAGE FOLLOWS]

IT IS SO AGREED.

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Rick L. Callender, Esq.
Chief Executive Officer

_____ Dated

ANTELOPE VALLEY-EAST KERN WATER AGENCY

By: _____
Matt Knudson
General Manager

_____ Dated

APPROVED AS TO FORM:

By: _____
General Counsel

RECOMMENDED BOARD ORDER 9(c-1)

To the Board of Directors

FOR BOARD ACTION

**APPROVE LETTER OF SUPPORT FOR
PALMDALE WATER DISTRICT'S WATERSMART
WATER RECYCLING & DESALINATION GRANT APPLICATION**

The Board of Directors adopted the following board order on
January 28, 2023:

To approve the proposed draft letter of support for Palmdale Water
District's WaterSmart Water Recycling and Desalination grant application,
as presented and recommended.

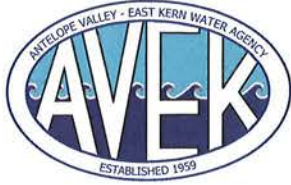
Motion by _____

Second by _____

Carried _____

BOARD ORDER 9(c-1)

02-28-23



STAFF REPORT

To: Board of Directors

Date: February 22, 2023

From: Matthew Knudson, General Manager *m.k.*

Prepared By: Pam Clark / Executive Assistant

Subject: Letter of Support for Palmdale Water District's Pure Water Antelope Valley Project

Meeting Dates: February 28, 2023 (Board) Attachment(s): YES NO

Recommendation:

Staff recommends that the Board:

1. Approve the letter of support for Palmdale Water District's Pure Water Antelope Valley Project
2. Authorize the Board President to sign the letter of support

Background:

Palmdale Water District (PWD) is seeking \$1M in federal grant funding from the U.S. Bureau of Reclamation's (BOR) WaterSmart Water Recycling and Desalination Grant Program for its Pure Water Antelope Valley Project (Project). The Project is a regional recycled water program that augments potable water supplies using 5,325 acre-feet per year (AFY) of recycled water allocation from the Los Angeles County Sanitation District's Palmdale Water Reclamation Plant (PWRP). The tertiary wastewater is treated to indirect potable standards and injected into the Antelope Valley (AV) Groundwater Basin.

PWD has requested a support letter from AVEK to include with their grant application. AVEK and PWD have inter-ties that enable the agencies to provide water supplies to each other. The Project will benefit the AV groundwater basin and increase local long-term water supply reliability by reducing reliance on imported water supplies from the State Water Project (SWP).

PWD has reciprocated support for AVEK's projects, recognizing a mutual goal of improving regional water supply reliability.

Strategic Plan Component:

The Recommended action support Goals 1 and 2 of AVEK's Strategic Plan:

Goal 1: Groundwater basins stewardship

Goal 2: Water reliability

Supporting Documents:

Draft letter of support

OFFICERS

MATTHEW KNUDSON
General Manager

HOLLY H. HUGHES
Secretary-Treasurer



A PUBLIC AGENCY

BOARD OF DIRECTORS

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DRAFT

2/28/23

Bureau of Reclamation
Water Resources and Planning Office
Attn: Ms. Maribeth Menendez
P.O. BOX 25007, 86-63000
Denver, CO 80225

Re: Support for Palmdale Water District’s Pure Water Antelope Valley Project

Dear Ms. Menendez:

Antelope Valley-East Kern Water Agency (AVEK) supports Palmdale Water District’s (District) application to the U.S. Bureau of Reclamation’s Water Recycling and Desalination Planning Grant Program for its Pure Water Antelope Valley Project (Pure Water AV) (Project).

The Project is a regional recycled water program that augments potable water supplies using 5,325 acre-feet per year (AFY) of recycled water allocation from the Los Angeles County Sanitation District’s Palmdale Water Reclamation Plant (PWRP). The tertiary wastewater is treated to indirect potable standards and directly injected into the Antelope Valley Groundwater Basin (AV) Basin. The Project addresses the uncertainty of future water supplies from the State Water Project (SWP), resolves near-term water shortages, and alleviates additional subsidence in the overdrafted AV Basin.

AVEK and the District are two of the agencies able to import water into the Antelope Valley. AVEK is supportive of this project as it will increase the beneficial use of the District’s supply portfolio, which in turn will add water storage capacity in an over-drafted basin and increase the long-term reliability of the region’s water supply.

For these reasons, AVEK supports the District’s Pure Water AV project.

Very truly yours,

George Lane, Board President

6500 WEST AVENUE N • PALMDALE, CALIFORNIA 93551
(661) 943-3201 • www.avek.org • info@avek.org

The mission of AVEK is to deliver reliable, sustainable and high quality supplemental water to the region in a cost-effective and efficient manner.

RECOMMENDED BOARD ORDER 9(c-2)

To the Board of Directors

FOR BOARD ACTION

**APPOINT ALTERNATE AVEK REPRESENTATIVE FOR
AV WATERMASTER BOARD**

The Board of Directors adopted the following board order on
January 28, 2023:

To appoint an alternate representative to the AV Watermaster Board
due to impending retirement of the current alternate representative, as
presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 9(c-2)

02-28-23