



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

TUESDAY, SEPTEMBER 13, 2022, AT 5:30 PM

Teleconference: (669) 900-6833; ID No. 8 9 4 3 5 7 2 7 6 5 7; PASSCODE: 0

Video Conference:

<https://us02web.zoom.us/j/89435727657?pwd=ak1XbmprdfBUQnRZOWszWU91VHdyUT09>

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

1. CALL TO ORDER

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

OFFICERS: General Manager – **Dwayne Chisam**; Attorney – **Jim Markman/Tilden Kim**;
 Board Secretary/Treasurer – **Holly Hughes**

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

5. ADOPTION OF AGENDA

5(a-1)	Adoption of Agenda for Board Meeting of September 13, 2022	Board Order 5(a-1)
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6. NEW BUSINESS – None

- 7. CONSENT CALENDAR** – 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.

			Page
7(a-1)	Approve Minutes of the Regular Board Meeting of August 9, 2022	Board Order 7(a-1)	5
7(a-2)	Accept and File the Check Register Lists from August 11, 2022, through August 31, 2022 (F/C Review 9/8/22)	Board Order 7(a-2)	11
7(a-3)	Approval of Resolution No. R-22-23; Extending authorization for continuing meetings by teleconferencing pursuant to Government Code Section 54953(e)	Board Order 7(a-3)	21

8. ITEM(S) FOR CONSIDERATION AND POSSIBLE ACTION

a. Finance Committee (FD/SS/KD) 09/08/22			Page
8(a-1)	Presentation by PFM Consultants – 2 nd Quarter Ending June 30, 2022 – Richard Babbe		25
8(a-2)	Accept and File the PFM Investment Performance Report for the 2nd Quarter Ending June 30, 2022	Board Order 8(a-2)	65
8(a-3)	Consideration and possible action on Purchase order with Brax Company Process and Pump Equipment for the purchase of one (1) 33-Horsepower Submersible Pump at the Quartz Hill Water Treatment Plant in the not-to-exceed amount of \$60,202.05 (Budgeted; Operations Manager Bozigian)	Board Order 8(a-3)	67

9. GENERAL MANAGER’S REPORT ON WATER SUPPLY, PROJECTS, AND PROGRAM

		Page
8(a-1)	Discussion on Senate Bill (SB) 1020; Clean Energy, Jobs, and Affordability Act of 2022	n/a
8(a-2)	Discussion on Delta Conveyance Project (DCP) Draft Environmental Impact Report	n/a

10. DIRECTOR REPORTS

11. ATTORNEY REPORT

12. REQUEST FOR FUTURE AGENDA ITEMS

13. OLD BUSINESS

14. CLOSED SESSION

- a. *Possible* Closed session pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators

Property: APN’s: 3275-021-008, 3275-021-027, 3275-021-030, 3275-021-035, and 3275-021-038.

Agency Negotiator: General Manager Dwayne Chisam

Negotiating parties: AVEK and Hector Lopez, Maura Lopez, Armando Funes, Ruth Funes; Raquel Sisayan LLC; Raquel Sisayan LLC, Steven G Johnson and Stephanie A Johnson; Danny C Vidamo and Aida S Vidamo.

Under negotiation: Price and terms of payment for possible purchase

- b. *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.
- c. *Possible* Closed Session – Board Officer Evaluations of the General Manager and Board Secretary-Treasurer Positions, pursuant to Government Code Section §54957

15. CLOSED SESSION ANNOUNCEMENTS

16. ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR TUESDAY, SEPTEMBER 27, 2022, 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. Board meetings are subject to audio recording.

Posted: September 9, 2022, at 11:30 a.m. by Holly Hughes, Board Secretary-Treasurer

RECOMMENDED BOARD ORDER 7(a-1)

To the Board of Directors

FOR BOARD ACTION

**APPROVE MINUTES OF THE REGULAR BOARD MEETING
OF AUGUST 9, 2022**

The Board of Directors adopted the following board order on
September 13, 2022:

That the Minutes of the Regular Board Meeting of August 9, 2022, be
approved as presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 7(a-1)

09-13-22



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 August 9, 2022



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 via teleconference and video conference (not in-person in response to the COVID-19 directive). The meeting was called to order by President Dyas at 5:30 p.m.	
Date: Tuesday, August 9, 2022 Time: 5:30 p.m. Location: Zoom Telephone: (669) 900-6833; ID No: 894 3572 7657; Passcode: 0 Zoom Link: https://us02web.zoom.us/j/89435727657?pwd=ak1XbmprdfBUQnRZOWszWU91VHdyUT09			
2. Roll Call: Board Members present via teleconference unless noted		Present: 7 Not Present: 0	
Division 7, Gary Van Dam		Division 6, Audrey Miller	
Division 5, Robert Parris		Division 4, George Lane <i>present in-person</i>	
Division 1, Shelley Sorsabal		Division 3, Frank Donato (Vice President)	
Division 2, Keith Dyas (President)			
Board Officers present in-person unless noted		Present: 3 Not Present: 0	
General Manager: Dwayne Chisam			
General Counsel/Attorney: Tilden Kim , Richards Watson Gershon Law (RWG) – present via teleconference			
Board Secretary-Treasurer: Holly Hughes			
NOTES: ALL VOTES CAST WERE TAKEN VIA ROLL CALL due to teleconference			
Staff Present: In-person: Matt Knudson , Assistant General Manager; Jon Bozigan , Operations Manager; Teresa Yates , CPA & Finance Manager; Justin Livesay , Engineering Manager; and Pam Clark , Executive Assistant.			
Others Present in-person: Joe Long , Stantec			
Others Present via Teleconference: In addition to the names and numbers of AVEK Directors, several other names and telephone numbers appeared on the participant list for the Zoom conference call including the following: ((661) 272-0015; (661) 433-1487; Tilden Kim ; Thien Ng ; Tim Leo ; NERD-Aerotech News-Alisha; Belal Tabannaj ; Brent ; Gregory Wood ; Jack's ipad(2); Jim ; John Joyce ; Paul Chau ; and others. As many as 22 participants were noted and this number fluctuated throughout the meeting.			
3. Voluntary Public Roll Call			
John Ukkestad , AV Mutual Group; Jack Seefus , White Fence Farms 3; Brent Bryne , Quartz Hill Water District			
4. Public Comments and Period Open to the Public			
There were no public comments.			
5. Adoption of Agenda:			1 Item
BOARD ORDER 5(a-1): Adoption of Agenda for Board Meeting of August 9, 2022			
5(a-1):	MOTION: Parris	SECOND: Miller	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0
			PASSED
6. New Business:			2 Items
6(a-1) Notice of Intent to Adopt an Amended Conflict of Interest Code at Public Hearing; Set Date for October 11, 2022, for AVEK Water Agency. GM Chisam stated that this was a biennial event. The only change noted was the addition of the Sr. Engineer position since the last filing.			
BOARD ORDER 6(a-1) Approving the Notice of Intent to Adopt an Amended Conflict of Interest Code for AVEK Water Agency; Public Hearing date to be set for October 11, 2022, at the regular AVEK Board Meeting as presented.			
6(a-1):	MOTION: Donato	SECOND: Sorsabal	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0
			PASSED

SPECIAL ITEM > SBO-1: Adjourn to Antelope Valley-East Kern Water Agency Financing Authority (AVEKWA-FA) Meeting at 5:40 p.m.)

BOARD ORDER – SPECIAL ITEM 1: The meeting was adjourned to The Antelope Valley-East Kern Water Agency Financing Authority at 5:40 p.m.

SPEC ITEM SBO-1:	MOTION: Parris	SECOND: Miller	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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SPECIAL ITEM > SBO-FA: Notice of Intent to Adopt an Amended Conflict of Interest Code at Public Hearing; Set Date for October 11, 2022, for AVEK Water Agency Financing Authority

BOARD ORDER SBO-FA: Approving the Notice of Intent to Adopt an Amended Conflict of Interest Code for the AVEK Water Agency Financing Authority; Public Hearing date to be set for October 11, 2022, at the regular AVEK Board Meeting as presented.

SBO-FA:	MOTION: Parris	SECOND: Donato	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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SPECIAL ITEM > SBO-2: Reconvene to the Antelope Valley-East Kern Water Agency Water Agency Regular Board Meeting at 5:43 p.m.

BOARD ORDER – SPECIAL ITEM 2: The meeting was reconvened to The Antelope Valley-East Kern Water Agency at 5:43 p.m.

SPEC ITEM SBO-2:	MOTION: Lane	SECOND: Miller	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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7. Consent Calendar 3 ITEMS

- 7(a-1)** Approve Minutes of the Regular Board Meeting of July 12, 2022
- 7(a-2)** Approve Minutes of the Special Board Meeting of July 19, 2022
- 7(a-3)** Approval of Resolution No. R-22-22; Extending authorization for continuing meetings by teleconferencing pursuant to Government Code Section 54953(e)

BOARD ORDERS 7(a-1) to 7(a-3) Approval of all three (3) Items on the Consent Calendar as presented.

7(a-1) to 7(a-3)	MOTION: Sorsabal	SECOND: Donato	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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8. Items for Consideration and Possible Action 3 ITEMS

a. Finance Committee (FD/SS/KD) 08/08/22

8 (a-1) Consideration and possible action on accepting and filing the Check Register Lists from July 15, 2022, through July 28, 2022 (General Manager Chisam)

BOARD ORDER 8(a-1) To accept and file the check register lists for the period of July 15, 2022, through July 28, 2022, as presented and recommended by the Finance Committee and staff.

8(a-1)	MOTION: Lane	SECOND: Donato	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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b. High Desert Water Bank Committee (FD/KD/SS) 7/28/22

- 8(b-1)** Monthly update on the High Desert Water Bank Project
 - a. Construction update (Thien Ng, Construction Manager, Kennedy Jenks)
 - b. Presentation on Groundwater Modeling Results (Tim Leo, Principal Hydrogeologist, Montgomery & Associates)



c. Capital Improvement Committee (FD/KD/AM) 08/05/22

8(c-1) Consideration and possible action on acceptance of work and filing of Notice of Completion for Rosamond Water Treatment Plant SNIP Blending Vault Contract – W.M. Lyles (Engineering Manager Livesay)

BOARD ORDER 8(c-1) To deem the Rosamond Water Treatment Plant SNIP blending vault Project as complete and file the Notice of Completion on behalf of W.M. Lyles and issue final payment 30 days thereafter provided no claims are brought against the contractor as presented and recommended by staff and the Capital Improvement Program Committee.

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

General Manager **Chisam** provided an update on the status of the Agency. The Northern California State Weather Forecast for the next 10 days was provided.

State Water Project current storage at San Luis is 622k AF, which is 30% of capacity and 73% of historical average; Lake Oroville storage is 1.4M AF, which is 40% of capacity and 62% of historical average.

Water Treatment Plant Water Flow - totals for both conventional and geopurification were reported at 36.9 MGD with conventional treatment at 20.9 MGD and geopurification deliveries at 16 MGD. Westside banking recharge was OFF and the Eastside banking facility was 2.8 AF/Day; Upper Amargosa Recharge was also OFF. Total current recharge rate was 2.8 AF/Day.

Agency Operations Update: Groundwater recovery was reported to be 75% of capacity. Operator interviews have been completed and a priority list established; New security gate installed at Operations Center aqueduct access point and fully functional; Board room window has been replaced.

Agency Capital Projects Update: Rosamond Water Treatment Plant SNIP Intertie completed; Westside Water Bank Underground Piping / Turnout Project to be tested the following week.

Agency Water Quality Update: Monthly compliance samples to be collected the following day; Third Quarter compliance THMs to be collected the following week; raw aqueduct water turbidity has been high but finished water has been consistent.

Upcoming Events and Schedule: Gem Energy Tour & Public Hearing – RCSD & Zoom – 8/11/22 at 3 pm; AVSWCA Board Meeting – PWD & Zoom – 8/18/22 at 6 pm; AV Watermaster Board Meeting 8/24/22 at 10 a.m.; The general manager’s schedule was also stated.

10. Director Reports

There were no reports made by any of the Directors.

11. Attorney Report

Attorney **Kim** stated that he had nothing new to report.

12. Request for Future Agenda Items

None.

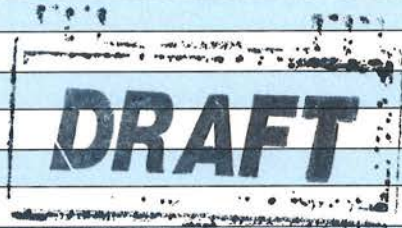
13. Old Business

None.

14. Closed Session

- a. **(YES) Possible** Closed session pursuant to Government Code Section 54956.8
Conference with Real Property Negotiators
Property: APN’s: 3275-021-008, 3275-021-027, 3275-021-030, 3275-021-035, and 3275-021-038.

Agency Negotiator: General Manager Dwayne Chisam
Negotiating parties: AVEK and Hector Lopez, Maura Lopez, Armando Funes, Ruth Funes; Raquel Sisayan LLC; Raquel Sisayan LLC, Steven G Johnson and Stephanie A Johnson; Danny C Vidamo and Aida S Vidamo.
Under negotiation: Price and terms of payment for possible purchase



- b. **(NO)** 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.
- c. **(YES)** Closed Session – Board Officer Evaluations of the General Manager and Board Secretary-Treasurer Positions, pursuant to Government Code Section §54957

General Manager **Chisam** stated that there was reason to go into Closed Session for Items 14(a) and 14(c). Attorney Doug **Evertz** was present via conference call for Item No. 14(a) only.

BOARD ORDER 14.1: The meeting was adjourned to closed session at 6:59 p.m.

14.1	<u>MOTION:</u> Parris	<u>SECOND:</u> Sorsabal	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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BOARD ORDER 14.2: The meeting was reconvened to open session at 8:15 p.m.

14.2	<u>MOTION:</u> AVEK Director	<u>SECOND:</u> AVEK Director	ROLL CALL: AYE = 7; NAY= 0; ABSTAIN = 0; ABSENT = 0	PASSED
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15. Closed Session Announcement(s)

President **Dyas** announced that there was no reportable action taken as a result of closed session.

16. Adjourn to Board Meeting Scheduled for Tuesday, August 23, 2022, at 5:30 p.m.

BOARD ORDER 16: The meeting was adjourned at 8:17 p.m.

16	<u>MOTION:</u> Sorsabal	<u>SECOND:</u> Miller	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 7(a-2)

To the Board of Directors

FOR BOARD ACTION

CHECK REGISTER LISTS

The Board of Directors adopted the following board order on September 13, 2022:

That the check register lists for the period of August 11, 2022, through August 31, 2022, be approved and accepted for filing as presented.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 7(a-2)

09-13-22

AVEK Water Agency
Check List
For the Period August 11, 2022 to August 31, 2022

REVIEWED
9/2/22
M.K.

Check #	Payee	Explanation	Approved By:	Amount
<u>DWR CONTRACT & WATER DELIVERIES</u>				
1	82653	Department of Water Resources	O.M.P.&R./Off-Aqueduct/Conservation Charges	Monthly - GM Approved \$ 1,520,084.00
2	82694	Department of Water Resources	Variable O.M.P.&R Charges - July 2022	Monthly - GM Approved \$ 533,765.00
<u>MONTHLY</u>				
3	82639	Wells Fargo Bank - Barnes	Agency Card Expenses	Monthly - GM Approved \$ 13.73
4	82640	Wells Fargo Bank - Bozigian	Agency Card Expenses	Monthly - GM Approved \$ 177.77
5	82641	Wells Fargo Bank - Chisam	Agency Card Expenses	Monthly - Board President Approved \$ 410.32
6	82642	Wells Fargo Bank - Holmes	Agency Card Expenses	Monthly - GM Approved \$ 1,585.95
7	82643	Wells Fargo Bank - Hughes	Agency Card Expenses	Monthly - Board President Approved \$ 616.31
8	82644	Wells Fargo Bank - Knudson	Agency Card Expenses	Monthly - GM Approved \$ 328.26
9	82645	Wells Fargo Bank - Livesay	Agency Card Expenses	Monthly - GM Approved \$ 165.90
10	82646	Wells Fargo Bank - Morris	Agency Card Expenses	Monthly - GM Approved \$ 19.99
11	82647	Wells Fargo Bank - Rose	Agency Card Expenses	Monthly - GM Approved \$ 2,295.52
12	82648	Xerox Financial Services	Copier Lease Charges - Administration #2 Upstairs	Monthly - GM Approved \$ 486.13
13	82650	Southern CA Edison	Electricity/Pumping - C5/EW18/EW19/RG3/WSSP2 Shop	Monthly - GM Approved \$ 46,532.20
14	82655	WEX Bank - Enterprise Fleet Management	Gasoline/Diesel - All Sites	Monthly - GM Approved \$ 11,291.26
15	82656	Airgas USA, LLC	Gases - Lab	Monthly - GM Approved \$ 1,205.55
16	82660	Cintas	Uniforms - All Sites	Monthly - GM Approved \$ 1,650.03
17	82665	Southern CA Edison	Electricity/Pumping - CF/EW15/LV Tank/RG5/SNIP PS	Monthly - GM Approved \$ 92,121.18
18	82668	ADT Security Services	Building Maintenance - RWTP	Monthly - GM Approved \$ 8.04
19	82669	ADT Commercial	Building Maintenance - AWTP	Monthly - GM Approved \$ 79.00
20	82670	ADT Commercial	Building Maintenance - EWTP	Monthly - GM Approved \$ 58.37
21	82672	AnSer formerly: All Access Message Center	Answering Service	Monthly - GM Approved \$ 98.00
22	82673	Antelecom, Inc.	Internet Service	Monthly - GM Approved \$ 185.08

AVEK Water Agency
Check List
For the Period August 11, 2022 to August 31, 2022

Check #	Payee	Explanation	Approved By:	Amount
<u>MONTHLY cont.</u>				
23	82674	AT&T	Landline SCADA Alarm - AWTP/RWTP	Monthly - GM Approved \$ 507.93
24	82678	Bill's Landscaping, Inc.	Grounds Maintenance - August 2022	Monthly - GM Approved \$ 850.00
25	82680	Boron CSD	Wheeling Agreement - Reimbursed by Edwards AFB - October 2021/November 2021/June 2022	Monthly - GM Approved \$ 9,100.00
26	82681	Broadvoice Business	VOIP Phones - All Sites	Monthly - GM Approved \$ 1,212.69
27	82684	Canon Financial Services, Inc.	Copier Charges	Monthly - GM Approved \$ 334.08
28	82688	Coffee Break Service, Inc.	Kitchen Supplies	Monthly - GM Approved \$ 326.90
29	82689	Core BTS, Inc.	IT Services - August 2022	Monthly - GM Approved \$ 4,500.00
30	82697	Frontier Communications	Landline SCADA Alarm - QHWTP/WWB	Monthly - GM Approved \$ 493.28
31	82702	Health Equity	H.S.A. Fees - August 2022	Monthly - GM Approved \$ 79.65
32	82712	Wells Fargo Vendor Financial Services - Kyocera Lease	Copier Lease Charges - Administration #1 Maintenance Dept. / Administration #2 New Lab	Monthly - GM Approved \$ 452.26
33	82720	PFM Asset Management LLC	Managed Account Fees - July 2022	Monthly - GM Approved \$ 2,196.83
34	82724	The Shredders	Document Security	Monthly - GM Approved \$ 126.00
35	82725	Sparkletts	Supplies - Lab	Monthly - GM Approved \$ 404.84
36	82727	T-Mobile	Director Communication Device	Monthly - GM Approved \$ 55.00
37	82730	TPx Communications	Fiber Internet Service	Monthly - GM Approved \$ 1,280.78
38	82733	Verizon California	Wireless Service - All Sites	Monthly - GM Approved \$ 1,398.14
39	82736	Waste Management of Antelope Valley	Waste Disposal - AWTP	Monthly - GM Approved \$ 88.61
40	82737	Waste Management - Kern County	Waste Disposal - RWTP	Monthly - GM Approved \$ 202.92
41	82738	Waste Management of Antelope Valley	Waste Disposal - WWB	Monthly - GM Approved \$ 144.82
42	82739	Waste Management of Antelope Valley	Waste Disposal - EWTP	Monthly - GM Approved \$ 192.67
43	82740	Waste Management of Antelope Valley	Waste Disposal - QHWTP	Monthly - GM Approved \$ 380.35
<u>BOARD APPROVED</u>				
44	82649	Richards, Watson & Gershon	Professional Services - Through July 2022	Finance Committee 08/18/2022 \$ 16,881.65

AVEK Water Agency
Check List
For the Period August 11, 2022 to August 31, 2022

Check #	Payee	Explanation	Approved By:	Amount	
<u>BOARD APPROVED cont.</u>					
45	82652	Industrial Pro Power Services	Replace Conductor Cables at Well EW-24	P.O. #22-0181 - Board Meeting 08/23/2022	\$ 8,000.00
46	82657	Airgas USA, LLC	Chemicals - Liquid Oxygen	BoD Approved Chemical Budget	\$ 19,284.30
47	82658	Airgas USA, LLC	Chemicals - CO2	BoD Approved Chemical Budget	\$ 8,179.74
48	82662	Eco Services Operations Corp.	Chemicals - Alum	BoD Approved Chemical Budget	\$ 49,246.76
49	82663	JCI Jones Chemicals, Inc	Chemicals - Sodium Hypochlorite	BoD Approved Chemical Budget	\$ 19,303.63
50	82671	Alisha L. Semchuck	Public Information Consultant	BoD Approved Contract	\$ 1,500.00
51	82682	Brown Armstrong Accountancy Corp.	Audited Financial Statements - Progress Billing	BoD Approved Agreement	\$ 2,537.50
52	82683	California Chamber of Commerce	2022-2023 Membership Fees	BoD Approved Membership List	\$ 799.00
53	82685	Carollo	Water System Master Plan - Through July 31, 2022	BoD Approved Contract	\$ 13,049.30
54	82716	MC Engineering, Inc.	Fixed Asset - Westside Underground	BoD Approved Agreement	\$ 27,473.69
55	82722	R & B Automation, Inc.	Fixed Asset ER22-11 RWTP Filter EFF Valves	P.O. #22-0050 - Board Meeting 03/22/2022	\$ 25,340.00
56	82722	R & B Automation, Inc.	Equipment Maintenance - EWTP	P.O. #22-0089 - Board Meeting 05/24/2022	\$ 28,201.25
57	82742	W M Lyles Co	Progress Pay #04 - SNIP Blending Vault Project	BoD Approved Agreement	\$ 6,607.25
<u>GM APPROVED</u>					
<u>Administration</u>					
58	82687	Dwayne Chisam	Expense Reimbursement	GM Approved	\$ 285.78
59	82732	Vanguard Cleaning Systems	Janitorial Supplies	GM Approved	\$ 180.56
<u>Engineering</u>					
60	82693	DLT Solutions, LLC	Specialty Software	P.O. #22-0164 - GM Approved	\$ 347.92
<u>Finance</u>					
61	82695	Ernst & Young US LLP	AVEK's Share -Progress Billing - SWC Audit of DWR	GM Approved	\$ 14,792.00
<u>Human Resources</u>					
62	82654	Employment Development Department	Unemployment Claim	GM Approved	\$ 1,603.55

AVEK Water Agency
Check List
For the Period August 11, 2022 to August 31, 2022

	Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.					
	Lab				
63	82666	Eurofins Abraxis Inc.	Equipment - Lab	P.O. #22-0141 - GM Approved	\$ 593.42
64	82667	Absolute Standards Inc.	Certification - Lab	P.O. #22-0177 - GM Approved	\$ 195.00
65	82698	GFS Chemicals, Inc.	Chemicals - Lab	P.O. #22-0142 - GM Approved	\$ 246.20
66	82706	Idexx Distribution Corporation	Chemicals - Lab	P.O. #22-0164 - GM Approved	\$ 19,652.77
67	82721	Phenova, Inc.	Certification - Lab	P.O. #22-0178 - GM Approved	\$ 1,865.79
68	82728	Thomas Scientific	Supplies - Lab	P.O. #22-0030 - GM Approved	\$ 102.64
69	82734	VWR International	Chemicals/Supplies - Lab	P.O. #22-0151/22-0167 - GM Approved	\$ 873.58
Operations & Maintenance					
70	82659	AutoZone	Enterprise/Legacy Vehicle Maintenance - Multiple Vehicles	GM Approved	\$ 507.96
71	82664	LA County Fire Department	Environmental Fees	Annually - GM Approved	\$ 7,403.00
72	82675	AV Action Air, Inc.	HVAC Maintenance - RWTP	GM Approved	\$ 702.53
73	82676	Antelope Valley AQMD	Generator Permits - AWTP	Annually - GM Approved	\$ 531.21
74	82677	AV Battery Mart	Equipment Maintenance - RWTP	GM Approved	\$ 371.38
75	82679	Boot Barn, Inc.	Work Boots Reimbursement - Wade Shorrock/Gil Pauley/Scott Baker/Ulises Flores - Per BoD Approved Policy	GM Approved	\$ 572.84
76	82686	Consolidated Electrical Dist.	Equipment Maintenance - Maintenance Dept./RG6/WWB	GM Approved	\$ 641.65
77	82690	CPC Systems, Inc.	Equipment Maintenance - EWTP	P.O. #22-0127 - GM Approved	\$ 1,100.00
78	82691	Charles P. Crowley Company, Inc.	Equipment Maintenance - RWTP	P.O. #22-0182 - GM Approved	\$ 1,987.88
79	82692	Devon Watson	Mileage Reimbursement - Maintenance Dept.	GM Approved	\$ 43.13
80	82696	Fire Ace, Inc.	Safety Supplies - QHWTP	GM Approved	\$ 1,342.75
81	82699	Grainger	Safety Supplies - EWTP/QHWTP/RWTP/WWB	P.O. #22-0146 - GM Approved	\$ 441.85

AVEK Water Agency
Check List
For the Period August 11, 2022 to August 31, 2022

Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.				
Operations & Maintenance cont.				
82	82699 Grainger	Equipment Maintenance - EWTP/Maintenance Dept./QHWTP/RWTP	P.O. #22-0159 - GM Approved	\$ 1,068.37
83	82699 Grainger	Fixed Asset CP20-11 WWB Underground	P.O. #22-0174 - GM Approved	\$ 731.95
84	82700 Hach Company	Equipment Maintenance - EWTP/QHWTP/RWTP	P.O. #22-0170 - GM Approved	\$ 2,403.73
85	82700 Hach Company	Fixed Asset ER23-09 EWB C12 Analyzers	P.O. #22-0172 - GM Approved	\$ 19,549.54
86	82701 Core & Main LP	Supplies - Maintenance Dept.	P.O. #22-0150 - GM Approved	\$ 2,703.11
87	82703 Henry's Hardware	Small Tools - QHWTP	GM Approved	\$ 78.10
88	82704 Herc Rentals Inc.	Equipment Rental - EWTP	GM Approved	\$ 2,849.08
89	82705 Paul Hickman	Reimbursement for AWWA Backflow Course - Per BoD Approved Policy	GM Approved	\$ 746.83
90	82707 Instrumart	Equipment Maintenance - EBB	P.O. #22-0160 - GM Approved	\$ 2,257.38
91	82708 Karl's Hardware, Inc. - Rosamond	Supplies - RWTP	GM Approved	\$ 261.80
92	82709 Karl's Hardware, Inc. - Boron	Supplies - RWTP	GM Approved	\$ 44.79
93	82710 Karl's Hardware, Inc. - Mojave	Supplies - RWTP	GM Approved	\$ 53.58
94	82711 KJS Health and Safety	Safety Training	GM Approved	\$ 2,900.00
95	82713 Lancaster Plumbing Supplies, Inc.	Equipment Maintenance - RWTP	GM Approved	\$ 186.30
96	82714 Jessie L. Mangus	Mileage Reimbursement - Maintenance Dept.	GM Approved	\$ 43.75
97	82715 Doug Masaya	Education Reimbursement - Tri-State Seminar - Per BoD Approved Policy	GM Approved	\$ 99.00
98	82717 McMaster-Carr Supply Company	Equipment Maintenance - QHWTP	P.O. #22-0171 - GM Approved	\$ 727.27
99	82717 McMaster-Carr Supply Company	Fixed Asset CP20-11 WWB Underground	P.O. #22-0173 - GM Approved	\$ 8,644.97
100	82717 McMaster-Carr Supply Company	Equipment Maintenance - QHWTP	P.O. #22-0180 - GM Approved	\$ 291.54
101	82718 Meldon Glass Inc.	Control Room Window - RWTP	GM Approved	\$ 630.00

AVEK Water Agency
Check List
For the Period August 11, 2022 to August 31, 2022

Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.				
Operations & Maintenance cont.				
102	82719	Patton Sales Corp.	Equipment Maintenance - LV Feeder	GM Approved \$ 1.69
103	82722	R & B Automation, Inc.	Fixed Asset ER22-16 EWTP Filter EFF Valves	P.O. #22-0039 - GM Approved \$ 7,200.00
104	82723	Rodrigo Antonio Gracia	Building Maintenance - QHWTP	GM Approved \$ 39.69
105	82726	Sunbelt Rentals, Inc.	Equipment Rental - QHWTP	GM Approved \$ 1,606.34
106	82729	Tire Xpress	Enterprise/Legacy Vehicle Maintenance - Multiple Vehicles	GM Approved \$ 96.00
107	82731	Universal Electronic Alarms, Inc.	Replace Defective Duct Sensor - Lab	GM Approved \$ 500.69
108	82735	Wade Shorrock	Mileage Reimbursement - WWB	GM Approved \$ 45.00
109	82741	WCT Products, Inc.	Fixed Asset EN22-03 Large Tools	P.O. #22-0185 - GM Approved \$ 22,743.34
110	82743	Pearce Services, LLC	Grounds Maintenance - EBB/WWB	P.O. #22-0136 - GM Approved \$ 7,212.00
VOID				
111	82651	VOID	Second Page of Check 82650 - Needed for Printing of Payment Details on Check Stub	n/a \$ -
112	82661	VOID	Second Page of Check 82660 - Needed for Printing of Payment Details on Check Stub	n/a \$ -
Total				\$ 2,606,010.64

AVEK Water Agency
 Check List
 For the Period From August 11, 2022 to August 31, 2022
 High Desert Water Bank Enterprise Fund Account

REVIEWED
9/2/22
M.K.

Check #	Payee	Explanation	Approved By:	Amount
1226	Waste Management of Antelope Valley	Waste Disposal - HDWB	Monthly - GM Approved	\$ 126.72
Total				\$ 126.72

AVEK Water Agency
 Check List
 For the Period From August 11, 2022 to August 31, 2022
 High Desert Water Bank Capital Program Account - MET

REVIEWED
9/2/22
M.K.

Check #	Payee	Explanation	Approved By:	Amount
1188	Wells Fargo Bank - Livesay	Agency Card Expenses	Monthly - GM Approved	\$ 370.44
1189	Bakersfield Well & Pump Co.	Progress Payment #3 - HDWB Drilling Package No. 2 Project	BoD Approved Agreement	\$ 1,598,322.75
1190	Blois Construction, Inc.	Progress Payment #5 - HDWB Aqueduct TO Project	BoD Approved Agreement	\$ 275,419.56
1191	Nicholas Construction, Inc.	Progress Payment #1 - Gravity Recharge Conveyance	BoD Approved Agreement	\$ 256,500.00
1192	Antelope Valley-East Kern Water Agency	Transfer to Operating Account - Reimbursed Admin. Costs through June 30, 2022	Per HDWB-MWD Agreement	\$ 48,376.86
Total				\$ 2,178,989.61

RECOMMENDED BOARD ORDER 7(a-3)

To the Board of Directors

FOR BOARD ACTION

**ADOPT RESOLUTION NO. R-22-23 > EXTENDING AUTHORIZATION
FOR CONTINUING MEETINGS VIA TELECONFERENCE**

The Board of Directors adopted the following board order on September 13, 2022:

To adopt Resolution No. R-22-23, making findings so that Board Meetings are subject to the special Brown Act requirements for teleconferencing as follows:

- 1) The AVEK Board has reconsidered circumstances of the COVID-19 State of Emergency; and
- 2) State and Local Officials continue to recommend measures to promote social distancing.

The Agency will extend the authorization for continuing meetings via teleconference pursuant to Government Code Section 54953(e) as presented and recommended.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 7(a-3)

09-13-22

RESOLUTION NO. R-22-23

RESOLUTION OF THE BOARD OF DIRECTORS OF
ANTELOPE VALLEY - EAST KERN WATER AGENCY
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 Board 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 Board 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 Board 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 Board of Directors intends to hold public meetings via teleconferencing pursuant to Government Code Section 54953(e).

NOW, THEREFORE, the Board of Directors of Antelope Valley - East Kern Water Agency resolves as follows:

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

Section 2. This Board 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 Board 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 Agency 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.

ADOPTED this _____ day of _____, 2022,

ATTEST:

Presiding Officer:

Holly Hughes,
Secretary/Treasurer

Name/ Title

Presentation by PFM Consultants

2nd Quarter Ending
June 30, 2022



Antelope Valley East Kern Water Agency

Investment Performance Review For the Quarter Ended June 30, 2022

Client Management Team

PFM Asset Management LLC

Sarah Meacham, Managing Director
Michael Downs, CFA, Portfolio Manager
Richard Babbe, CCM, Senior Managing Consultant

633 W 5th St., 25th Floor
Los Angeles, CA 90071
213-415-1699

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Market Update

Current Market Themes



- ▶ The U.S. economy is characterized by:
 - ▶ High inflation
 - ▶ A strong labor market
 - ▶ Depressed consumer confidence
 - ▶ Growing potential for economic recession

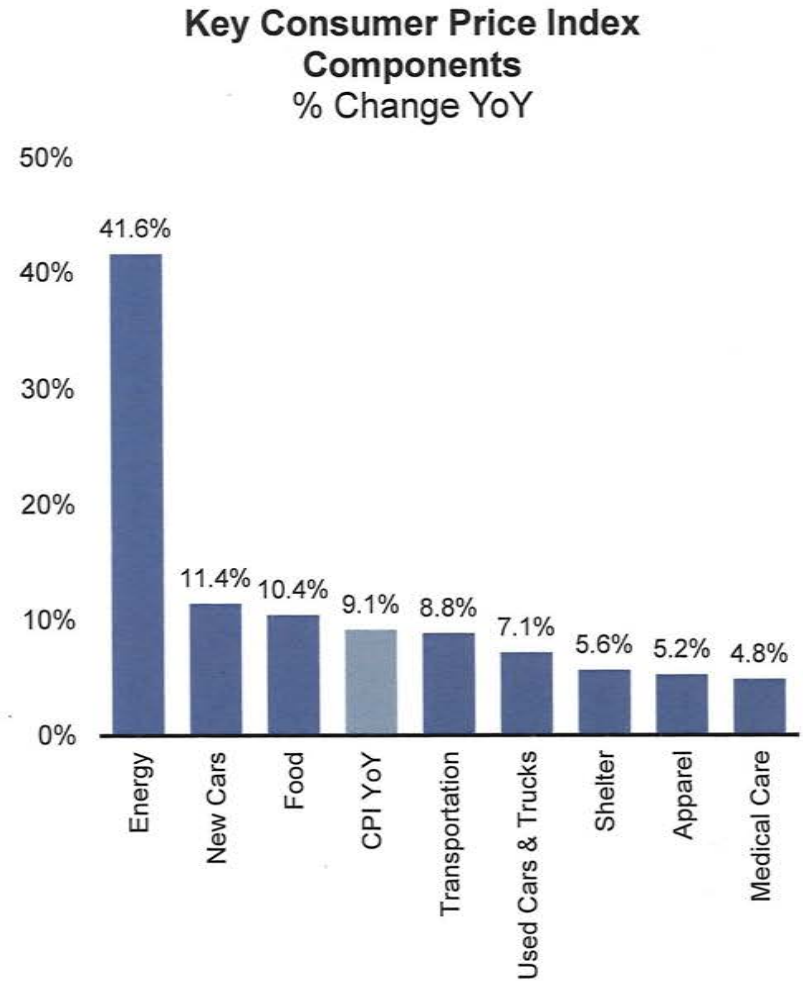
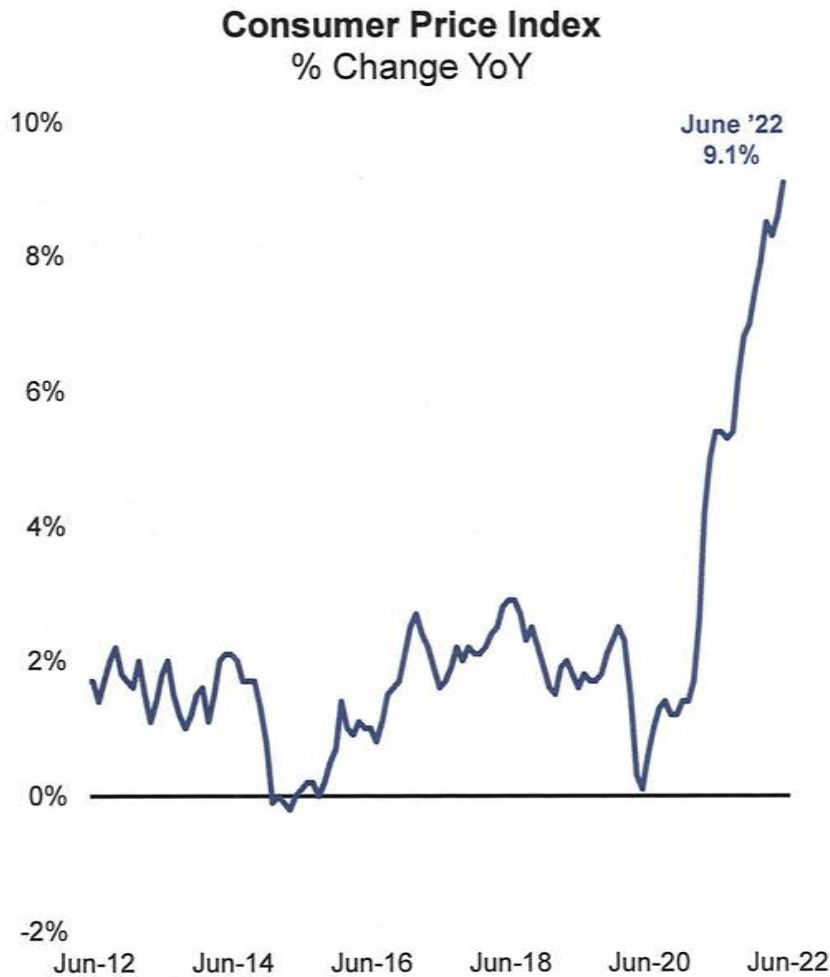


- ▶ The Federal Reserve is tightening monetary policy
 - ▶ More aggressive rate hikes to battle persistent inflation
 - ▶ Short-term fed funds rate projected to reach 3.25% to 3.75% by year-end
 - ▶ Start of balance sheet reduction; pace to double beginning in September



- ▶ Asset prices have fallen sharply in 2022 as a result of:
 - ▶ The impact of higher rates on bond prices and equity valuations
 - ▶ Wider credit spreads
 - ▶ High commodity prices, rising labor costs, and the continuing conflict in Ukraine
 - ▶ High levels of volatility and uncertainty

U.S. Inflation Hit a New Four-Decade High in June

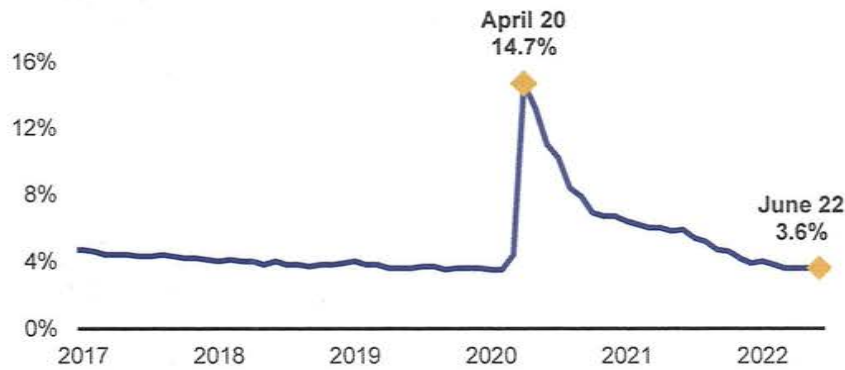


Source: Bloomberg, as of June 2022.

Strong Labor Market and Spending Provide Momentum Against Signs of Economic Slowing

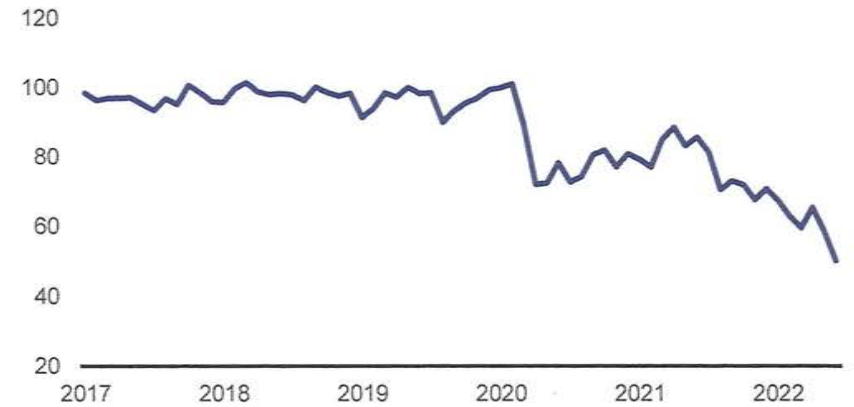
Tailwinds

U.S. Unemployment Rate

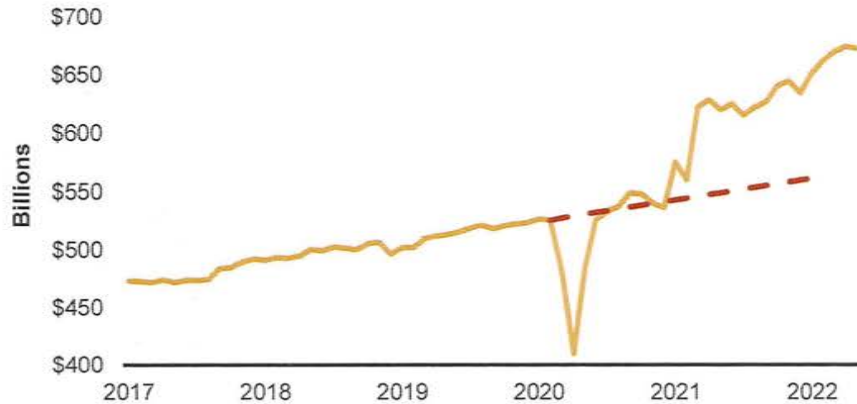


Headwinds

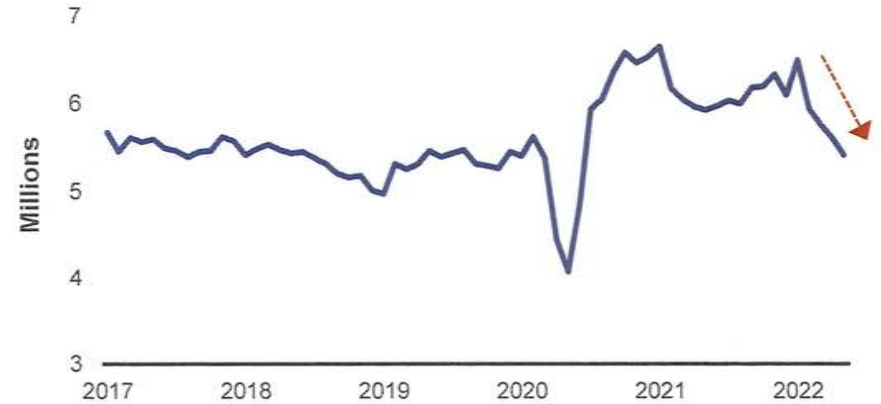
Index of Consumer Sentiment



Retail Sales (Monthly)



Existing Home Sales



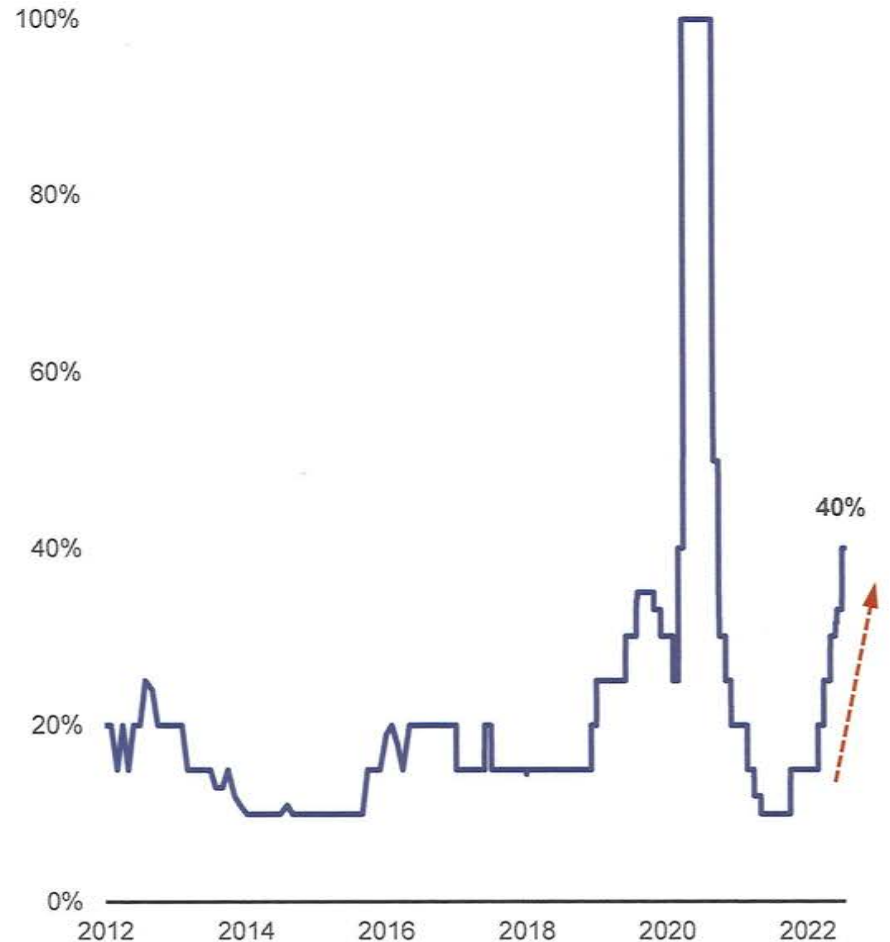
Source: Bloomberg, as of June 2022.

Uncertainty Grows Around Economic Outlook

GDP Contributors

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
U.S. Real GDP	2.3%	6.9%	-1.6%	-0.9%
<i>Personal Consumption</i>	1.4%	1.8%	1.2%	1.0%
<i>Fixed Investment</i>	-0.2%	0.5%	1.3%	-0.7%
<i>Private Inventories</i>	2.2%	5.3%	-0.4%	-2.0%
<i>Net Exports</i>	-1.3%	-0.2%	-3.2%	1.4%
<i>Gov't Expenditures</i>	0.2%	-0.5%	-0.5%	-0.3%

U.S. 1-Year Recession Probability
(Bloomberg Median Economist Forecast)

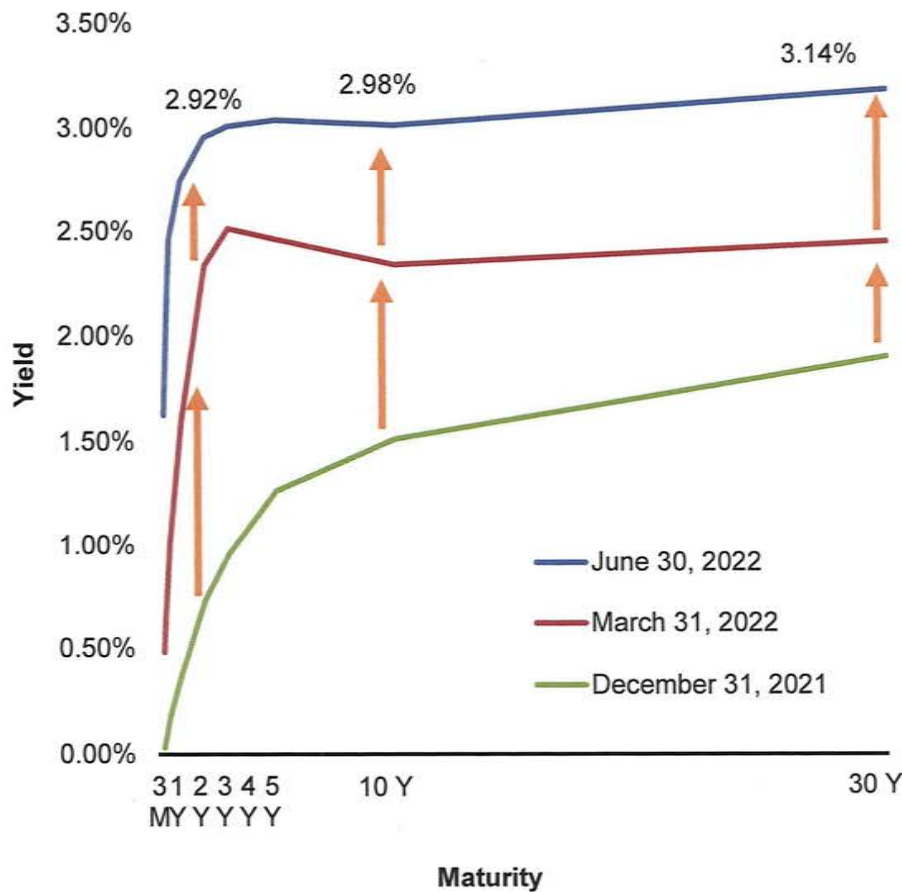


GDP contracts for a second quarter in a row, meeting the definition of a recession

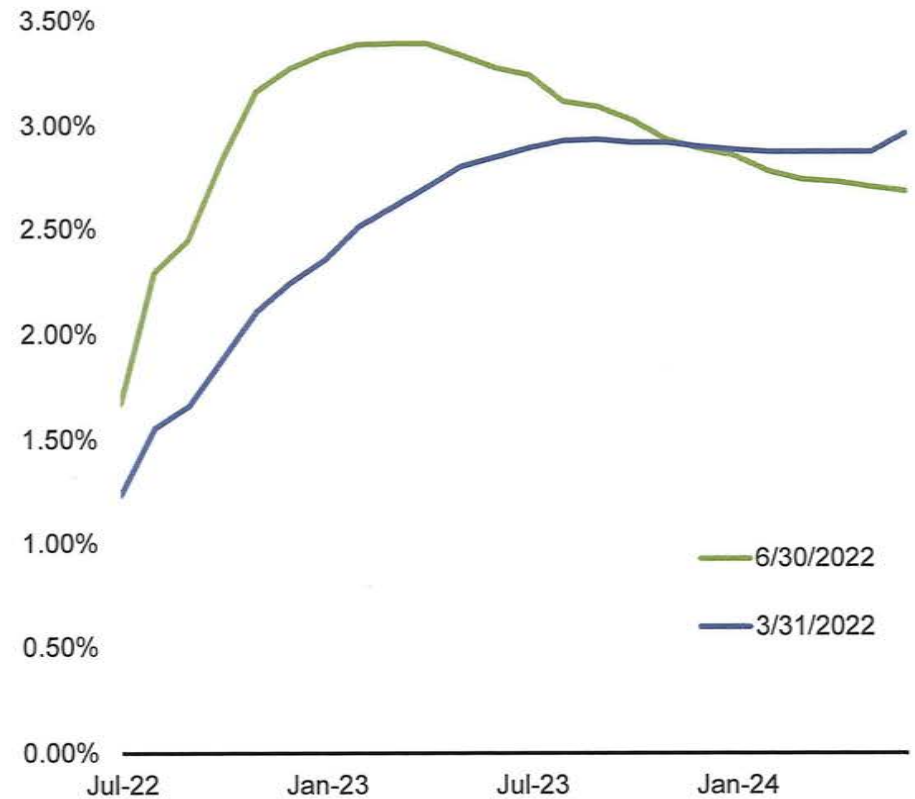
Source: Bloomberg, as of June 2022.

Treasury Yields Move Higher Across the Curve; Future Expectations Changed Over the Quarter

U.S. Treasury Yield Curve



Fed Funds Futures Curve (Rate)

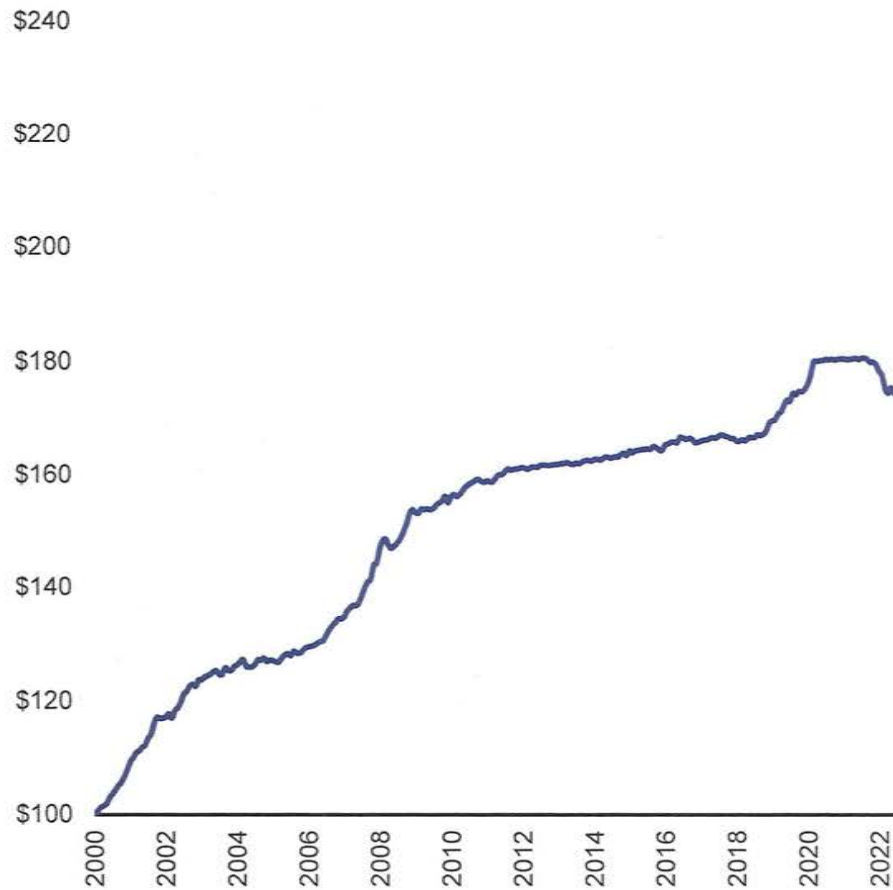


Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.

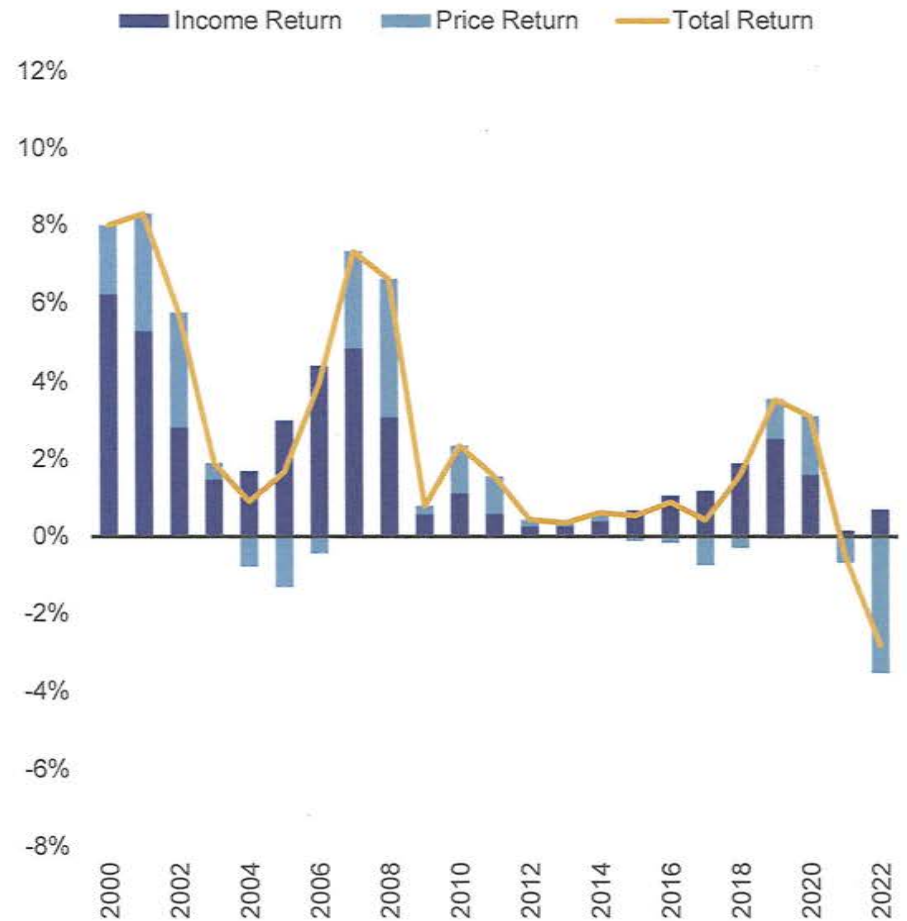
Surging Yields Give Back Pandemic Gains

ICE BofAML 1-3 Year Treasury Index

Growth of \$100
(1/1/2000 - 6/30/2022)



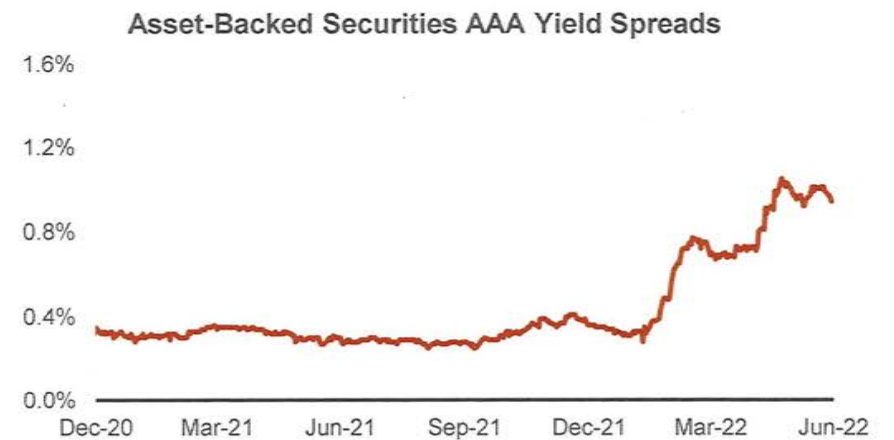
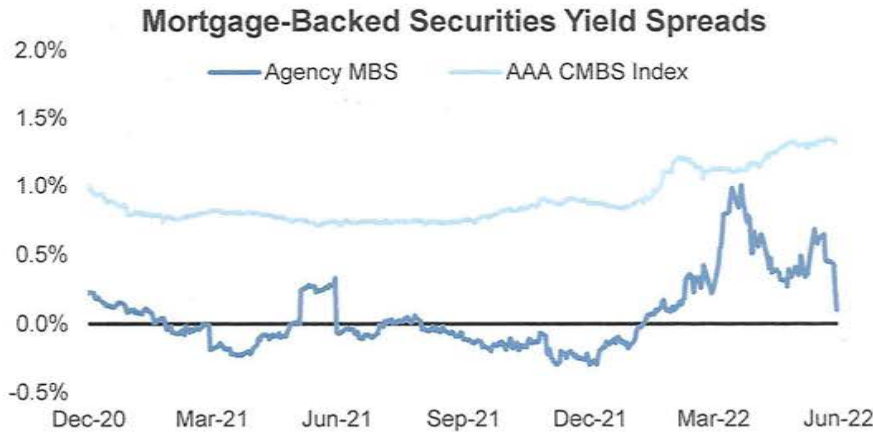
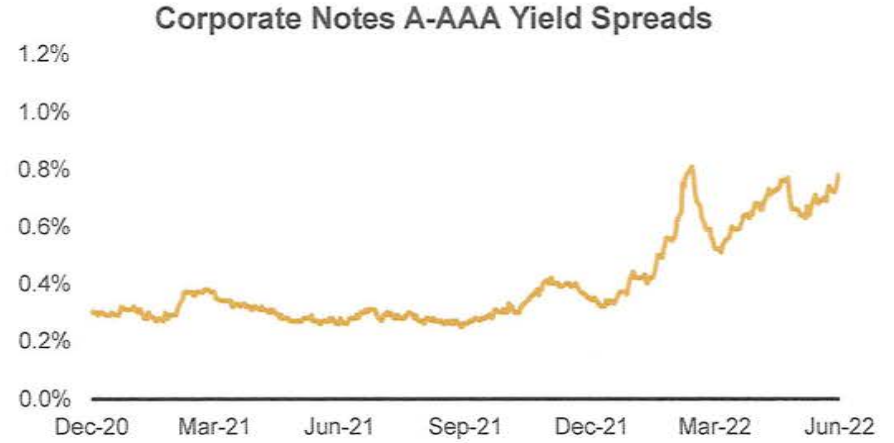
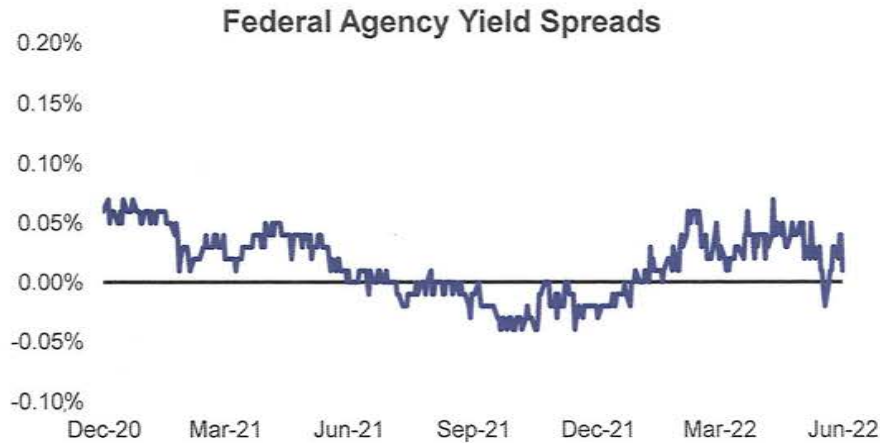
Annual Price & Income Returns



Source: ICE BofAML Indices via Bloomberg, as of 6/30/2022; PFMAM calculations. 2022 Price, income, and total return is YTD as of 6/30/2022.

Sector Yield Spreads Widened in Q2 2022

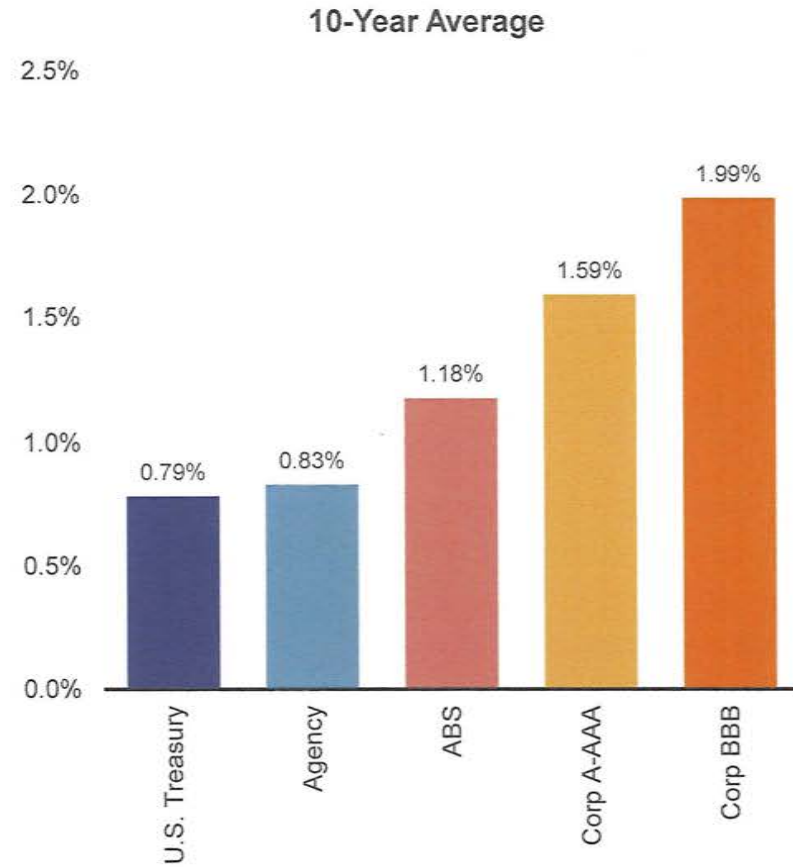
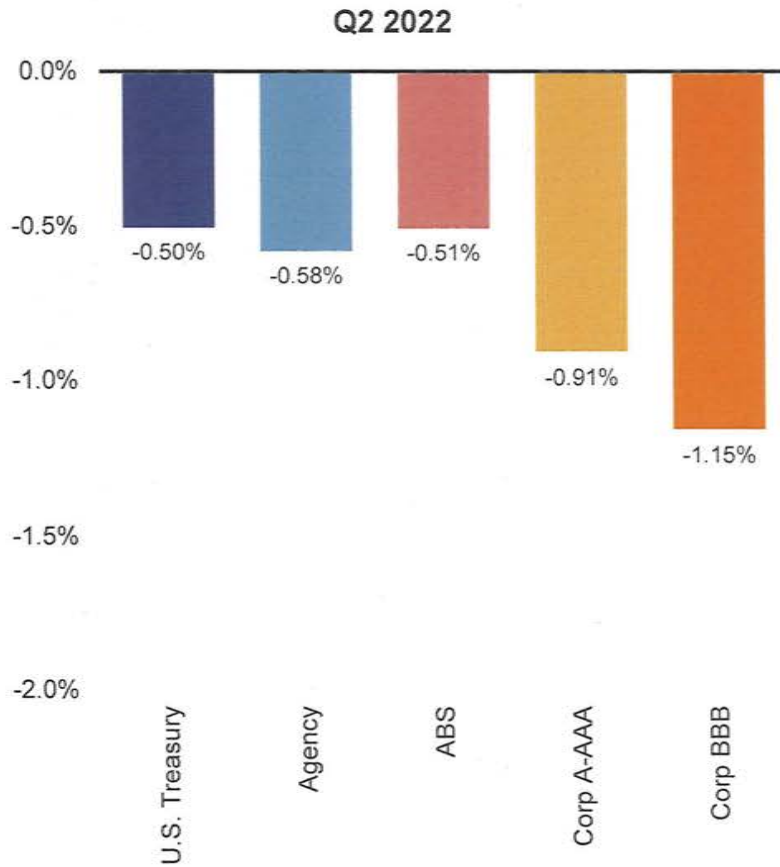
1-3 Year Indices



Source: ICE BofAML 1-3 year Indices via Bloomberg, MarketAxess and PFMAM as of 6/30/2022. Spreads on ABS and MBS are option-adjusted spreads of 0-3 year indices based on weighted average life; spreads on agencies are relative to comparable maturity Treasuries. CMBS is Commercial Mortgage-Backed Securities.

Rising Rates and Wider Spreads Hurt Fixed-Income Returns in Q2 2022

1-3 Year Indices



Source: ICE BofAML Indices. ABS indices are 0-3 year, based on weighted average life. As of 6/30/2022.

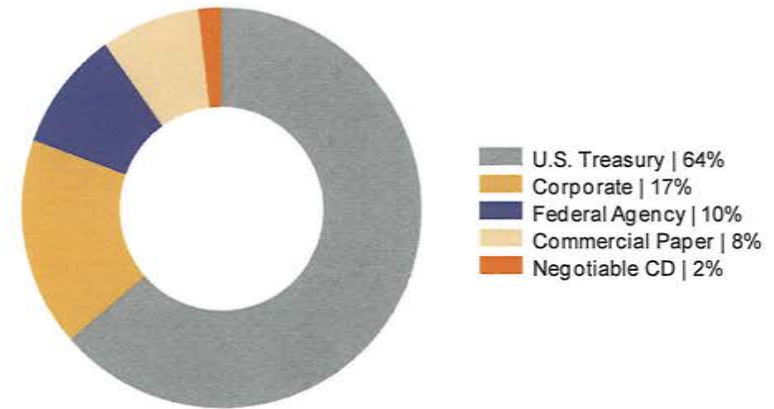
Portfolio Review

Portfolio Snapshot¹

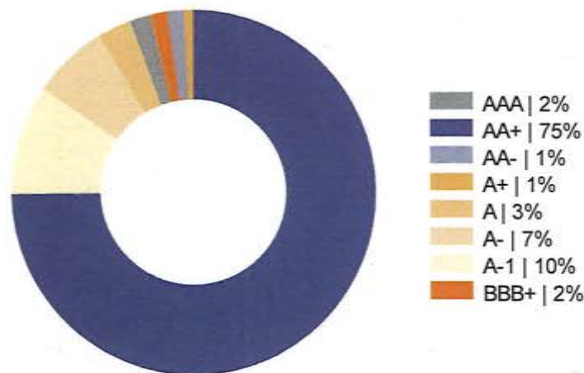
Portfolio Statistics

Total Market Value	\$25,776,896.75
<i>Securities Sub-Total</i>	\$24,907,307.57
<i>Accrued Interest</i>	\$73,777.50
<i>Cash</i>	\$795,811.68
Portfolio Effective Duration	0.90 years
Benchmark Effective Duration	2.52 years
Yield At Cost	0.95%
Yield At Market	2.65%
Portfolio Credit Quality	AA

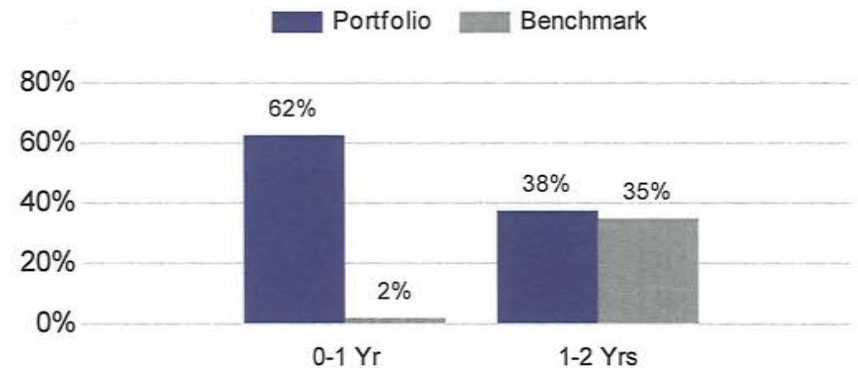
Sector Allocation



Credit Quality - S&P

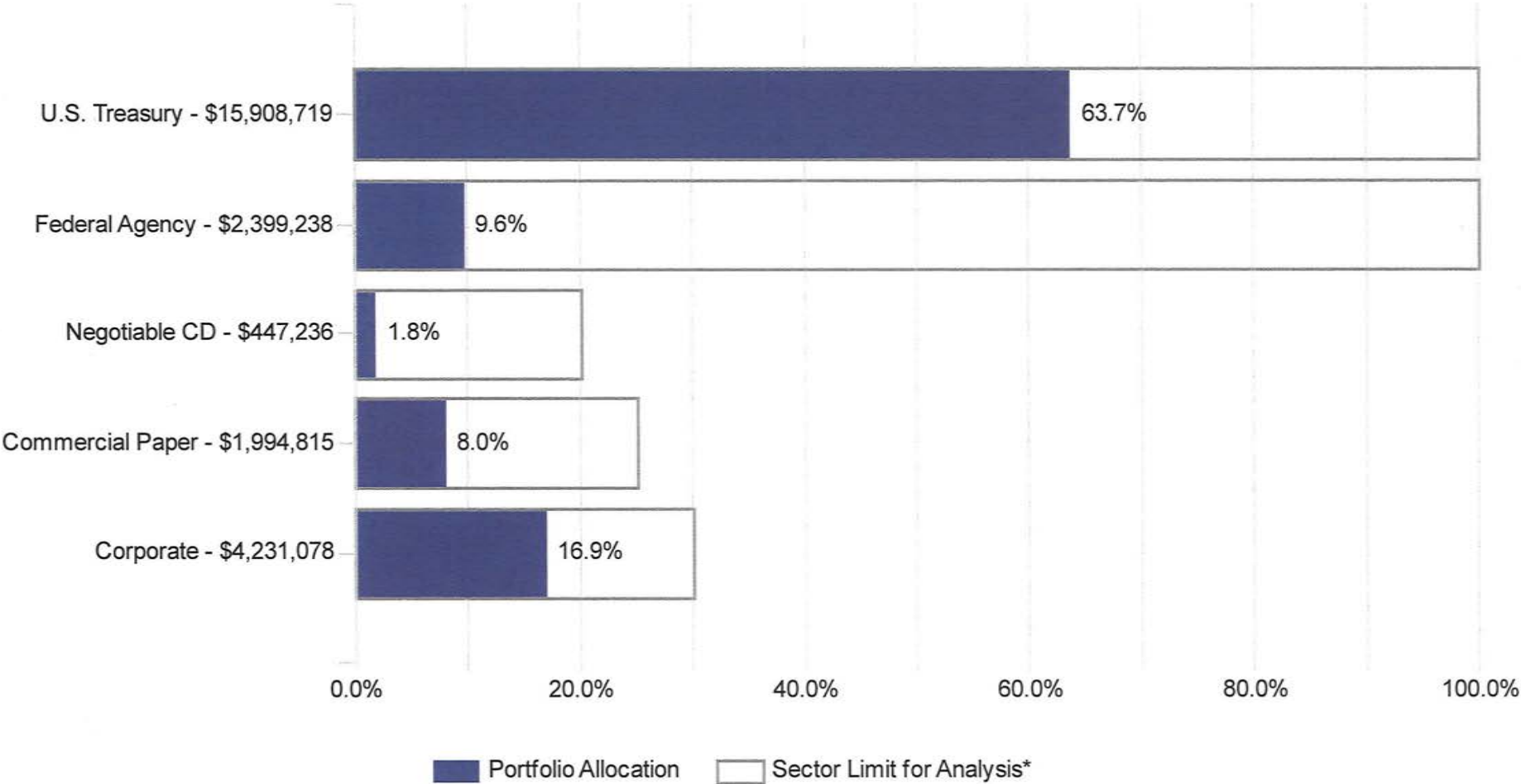


Duration Distribution



1. Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interests. The portfolio's benchmark is the ICE BofAML 1-5 Year U.S. Treasury Index. Source: Bloomberg. An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

Sector Allocation Analytics



*For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.
 Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Certificate of Compliance

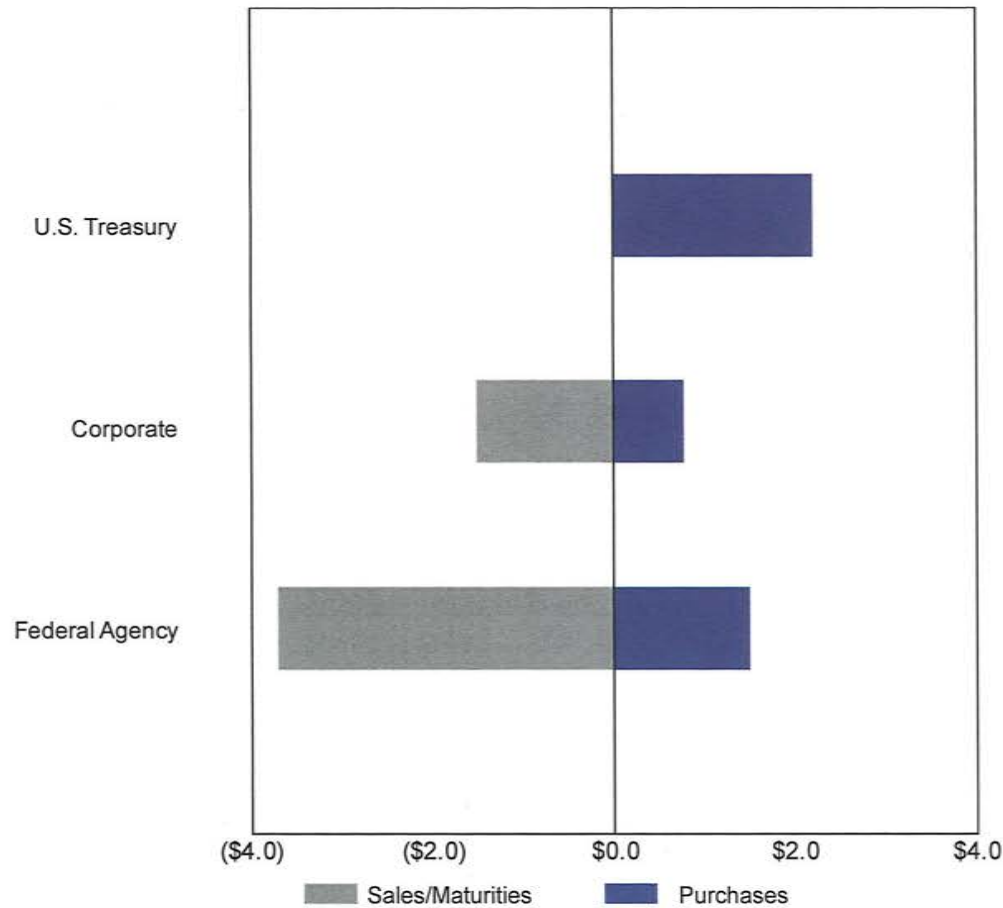
During the reporting period for the quarter ended June 30, 2022, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

Portfolio Activity

Net Activity by Sector
(\$ millions)

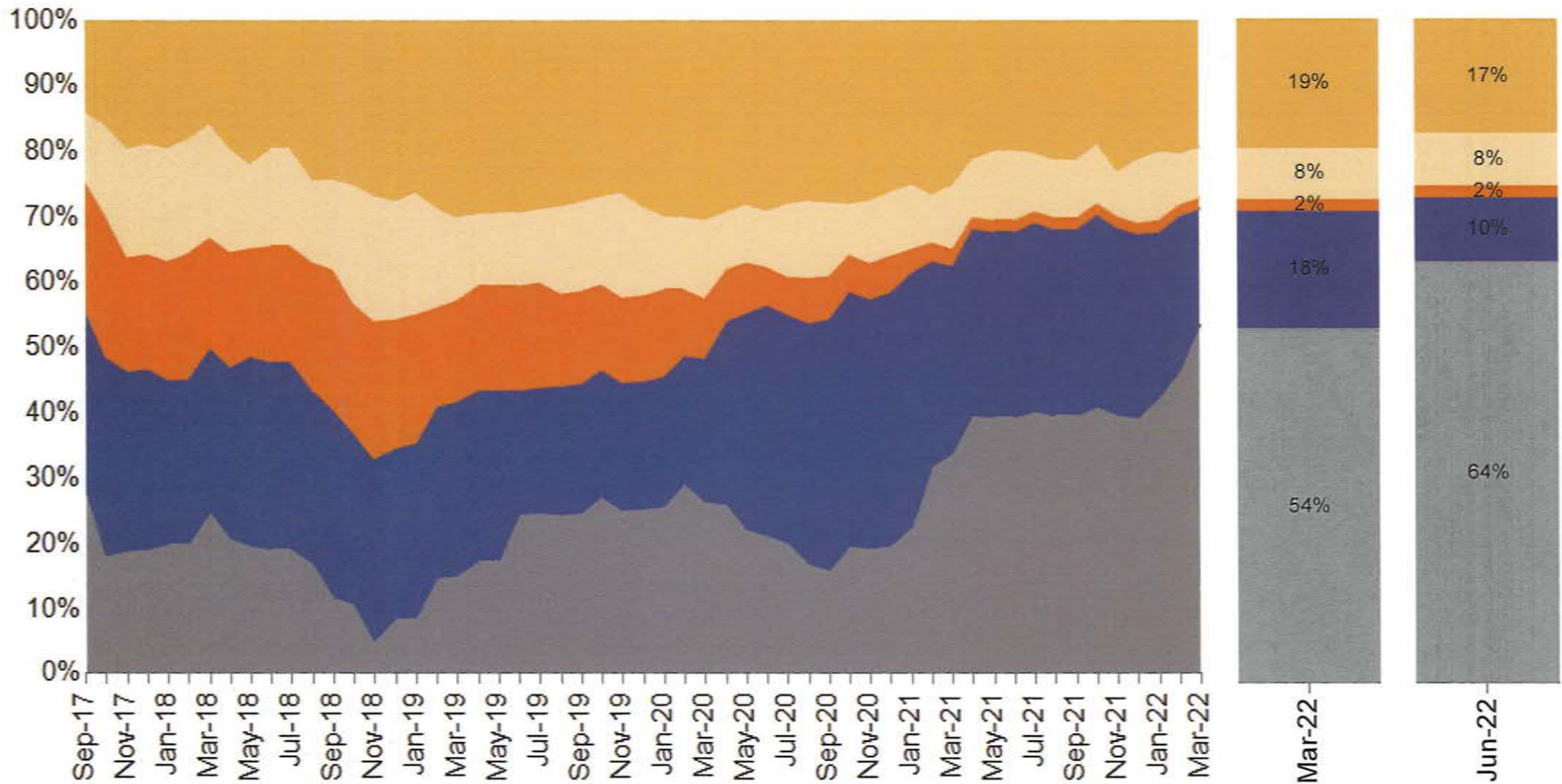


Sector	Net Activity
U.S. Treasury	\$2,191,169
Corporate	(\$725,508)
Federal Agency	(\$2,206,727)
Total Net Activity	(\$741,066)

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

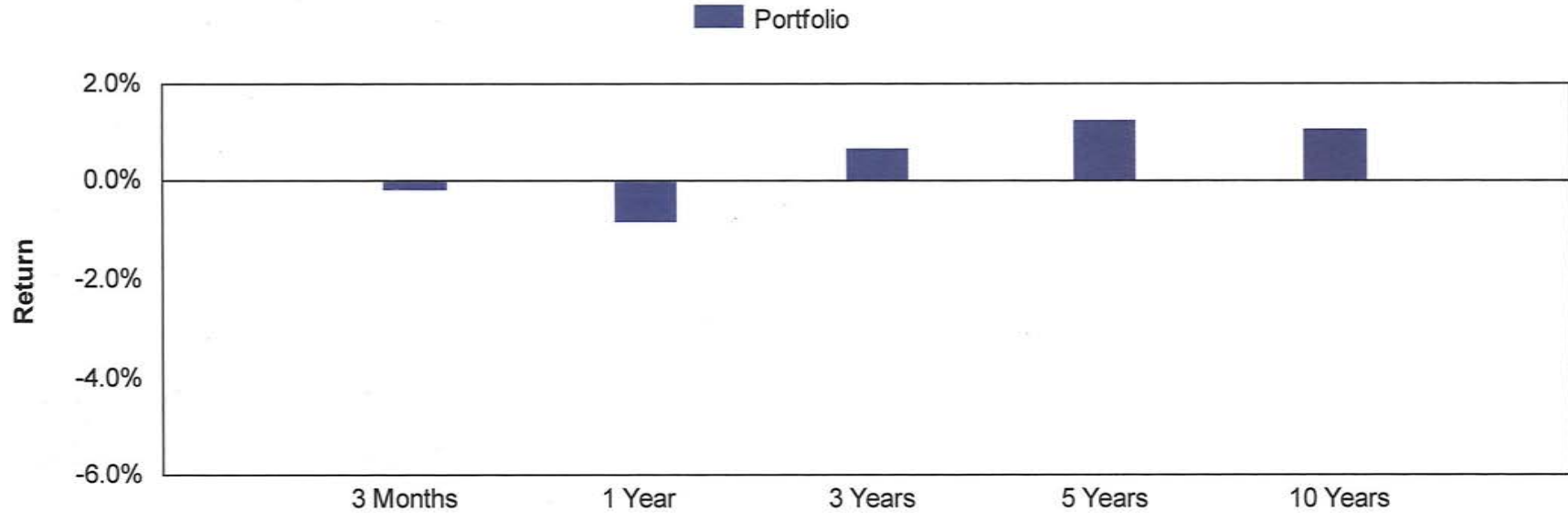
Historical Sector Allocation

U.S. Treasury
 Federal Agency
 Negotiable CD
 Commercial Paper
 Corporate



Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM.

Portfolio Performance

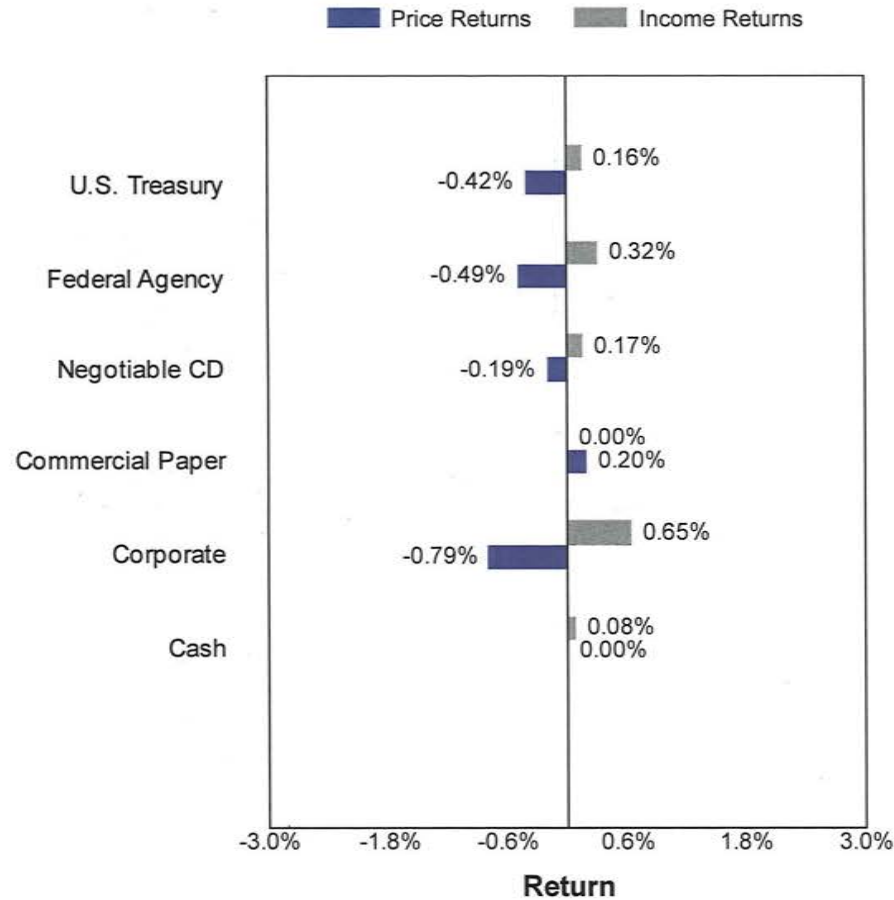


Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned ²	\$64,475	\$230,906	\$1,108,910	\$1,869,114	\$3,803,323
Change in Market Value	(\$108,710)	(\$442,587)	(\$606,521)	(\$307,442)	(\$1,114,114)
Total Dollar Return	(\$44,235)	(\$211,681)	\$502,389	\$1,561,672	\$2,689,209
Total Return³					
Portfolio	-0.17%	-0.81%	0.66%	1.26%	1.07%

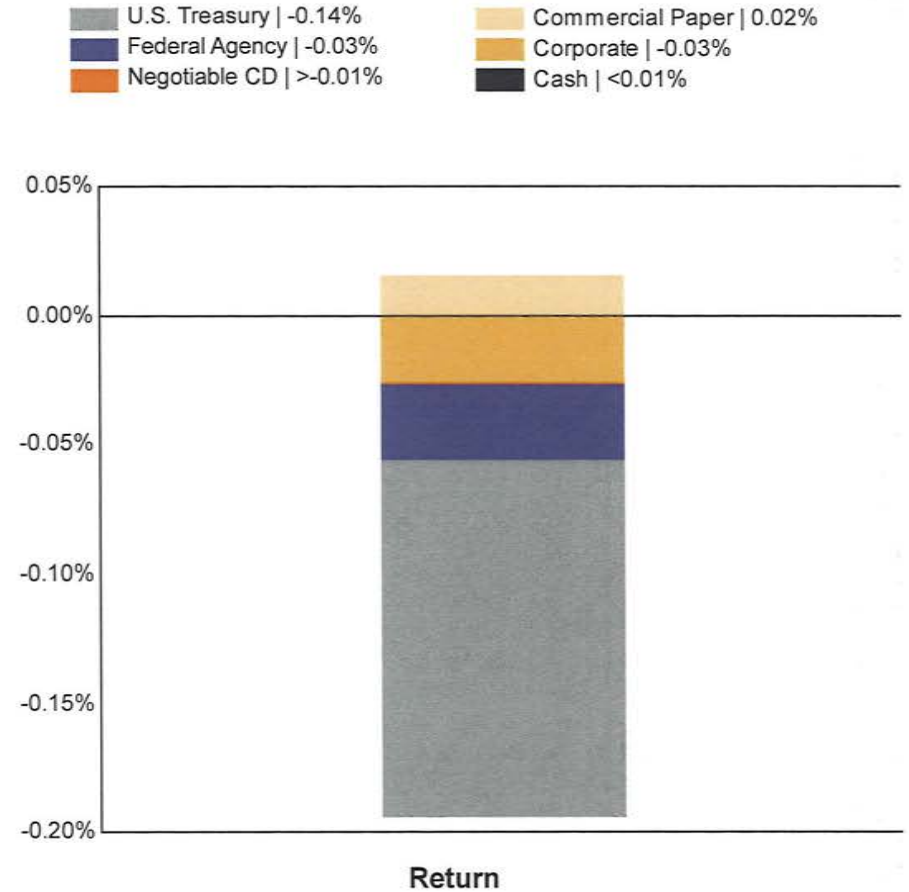
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2012.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

Quarterly Sector Performance

Total Return by Sector

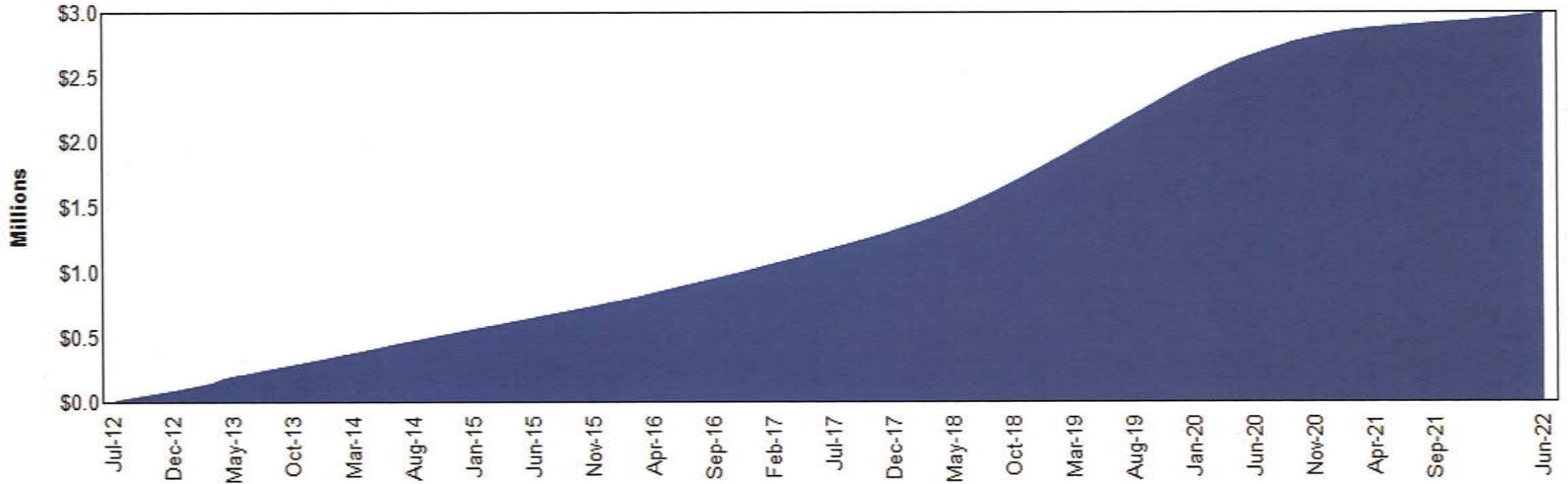


Contribution to Total Return



1. Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Income returns calculated as interest earned on investments during the period.
3. Price returns calculated as the change in market value of each security for the period.
4. Returns are presented on a periodic basis.

Accrual Basis Earnings



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year ¹
Interest Earned ²	\$64,475	\$230,906	\$1,108,910	\$1,869,114	\$3,803,323
Realized Gains / (Losses) ³	-	\$3,174	\$15,047	\$4,538	\$58,799
Change in Amortized Cost	(\$22,979)	(\$129,033)	(\$228,863)	(\$44,087)	(\$863,561)
Total Earnings	\$41,497	\$105,047	\$895,094	\$1,829,565	\$2,998,560

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 2012.
 2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
 3. Realized gains / (losses) are shown on an amortized cost basis.

Fixed-Income Sector Outlook – 3Q 2022

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	



Issuer Distribution

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	63.7%	
UNITED STATES TREASURY	63.7%	AA / Aaa / AAA
Federal Agency	9.6%	
FEDERAL FARM CREDIT BANKS	6.0%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	3.6%	AA / Aaa / NR
Negotiable CD	1.8%	
CREDIT SUISSE GROUP RK	0.8%	A / Aa / A
SUMITOMO MITSUI FINANCIAL GROUP INC	1.0%	A / Aa / A
Commercial Paper	8.0%	
CREDIT SUISSE GROUP RK	2.2%	A / Aa / A
MITSUBISHI UFJ FINANCIAL GROUP INC	2.8%	A / Aa / A
NATIXIS NY BRANCH	3.0%	A / Aa / A
Corporate	16.9%	
AMERICAN HONDA FINANCE	0.8%	A / A / A
APPLE INC	1.5%	AA / Aaa / NR
BANK OF AMERICA CO	1.4%	A / A / AA
CATERPILLAR INC	0.8%	A / A / A
CHARLES SCHWAB	0.7%	A / A / A
CHEVRON CORPORATION	0.8%	AA / Aa / NR
CITIGROUP INC	0.7%	BBB / A / A
COMCAST CORP	0.7%	A / A / A
EXXON MOBIL CORP	0.7%	AA / Aa / NR
GOLDMAN SACHS GROUP INC	0.8%	BBB / A / A
IBM CORP	0.7%	A / A / NR
JP MORGAN CHASE & CO	1.5%	A / A / AA
MICROSOFT CORP	1.8%	AAA / Aaa / AAA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	16.9%	
MORGAN STANLEY	0.8%	A / A / A
THE BANK OF NEW YORK MELLON CORPORATION	1.5%	A / A / AA
TOYOTA MOTOR CORP	0.8%	A / A / A
TRUIST FIN CORP	0.8%	A / A / A
Total	100.0%	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

Portfolio Transactions

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
5/18/2022	5/19/2022	1,500,000.00	3133ENWP1	FEDERAL FARM CREDIT BANK NOTES	2.62%	5/16/2024	1,497,898.13	2.71%	
5/19/2022	5/23/2022	200,000.00	14913Q2V0	CATERPILLAR FINL SERVICE CORP NOTES	2.85%	5/17/2024	199,883.00	2.91%	
5/19/2022	5/23/2022	200,000.00	38141GZP2	GOLDMAN SACHS GROUP INC CORPORATE NOTES	3.00%	3/15/2024	199,959.33	3.34%	
6/6/2022	6/7/2022	2,200,000.00	91282CER8	US TREASURY N/B NOTES	2.50%	5/31/2024	2,191,169.10	2.73%	
6/15/2022	6/17/2022	185,000.00	20030NCR0	COMCAST CORP (CALLABLE) CORPORATE NOTES	3.70%	4/15/2024	186,719.06	3.53%	
6/15/2022	6/17/2022	185,000.00	459200JY8	IBM CORP NOTES	3.00%	5/15/2024	183,530.48	3.58%	
Total BUY		4,470,000.00					4,459,159.10		0.00
INTEREST									
4/1/2022	4/1/2022		MONEY0002	MONEY MARKET FUND			18.90		
4/18/2022	4/18/2022	200,000.00	89236TDK8	TOYOTA MOTOR CREDIT CORP CORP NOTES	2.25%	10/18/2023	2,250.00		
4/25/2022	4/25/2022	175,000.00	172967HD6	CITIGROUP INC CORP NOTES	3.87%	10/25/2023	3,390.63		
5/2/2022	5/2/2022		MONEY0002	MONEY MARKET FUND			0.30		
5/11/2022	5/11/2022	200,000.00	166764BV1	CHEVRON CORP CORPORATE NOTES	1.14%	5/11/2023	1,141.00		
5/11/2022	5/11/2022	375,000.00	037833DV9	APPLE INC CORPORATE NOTES	0.75%	5/11/2023	1,406.25		
5/15/2022	5/15/2022	450,000.00	594918AQ7	MICROSOFT CORP CALLABLE CORP NOTES	2.12%	11/15/2022	4,781.25		
6/1/2022	6/1/2022		MONEY0002	MONEY MARKET FUND			339.48		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
6/30/2022	6/30/2022	2,500,000.00	91282CBD2	US TREASURY NOTES	0.12%	12/31/2022	1,562.50		
Total INTEREST		3,900,000.00					14,890.31		0.00
MATURITY									
5/6/2022	5/6/2022	1,500,000.00	3133ELYR9	FEDERAL FARM CREDIT BANK NOTES	0.25%	5/6/2022	1,501,875.00		
5/13/2022	5/13/2022	200,000.00	14913R2B2	CATERPILLAR FINL SERVICE CORPORATE NOTES	0.95%	5/13/2022	200,950.00		
5/13/2022	5/13/2022	175,000.00	459200JX0	IBM CORP	2.85%	5/13/2022	177,493.75		
5/15/2022	5/15/2022	375,000.00	084664BT7	BERKSHIRE HATHAWAY INC CORP NOTE	3.00%	5/15/2022	380,625.00		
6/1/2022	6/1/2022	350,000.00	09247XAJ0	BLACKROCK INC CORP NOTES	3.37%	6/1/2022	355,906.25		
6/3/2022	6/3/2022	2,200,000.00	3130AJPU7	FEDERAL HOME LOAN BANK NOTES	0.25%	6/3/2022	2,202,750.00		
6/15/2022	6/15/2022	375,000.00	17275RAV4	CISCO SYSTEMS INC CORP NOTES	3.00%	6/15/2022	380,625.00		
Total MATURITY		5,175,000.00					5,200,225.00		0.00

Portfolio Holdings

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 09/30/2020 0.125% 09/30/2022	91282CAN1	2,500,000.00	AA+	Aaa	10/29/202	10/30/202	2,498,632.81	0.15	785.52	2,499,822.27	2,489,062.50
US TREASURY NOTES DTD 12/31/2020 0.125% 12/31/2022	91282CBD2	2,500,000.00	AA+	Aaa	1/15/2021	1/19/2021	2,499,511.72	0.14	8.49	2,499,874.32	2,469,922.00
US TREASURY NOTES DTD 01/31/2021 0.125% 01/31/2023	91282CBG5	2,500,000.00	AA+	Aaa	2/18/2021	2/19/2021	2,500,878.91	0.11	1,303.52	2,500,264.54	2,464,062.50
US TREASURY NOTES DTD 03/15/2020 0.500% 03/15/2023	912828ZD5	1,200,000.00	AA+	Aaa	3/18/2021	3/19/2021	1,207,921.88	0.17	1,760.87	1,202,804.30	1,181,062.56
US TREASURY NOTES DTD 03/31/2021 0.125% 03/31/2023	91282CBU4	1,500,000.00	AA+	Aaa	4/29/2021	4/30/2021	1,499,003.91	0.16	471.31	1,499,611.52	1,470,468.75
US TREASURY N/B NOTES DTD 01/31/2022 0.875% 01/31/2024	91282CDV0	1,800,000.00	AA+	Aaa	2/8/2022	2/9/2022	1,783,617.19	1.34	6,569.75	1,786,843.76	1,741,500.00
US TREASURY NOTES DTD 02/28/2019 2.375% 02/29/2024	9128286G0	1,900,000.00	AA+	Aaa	3/22/2022	3/23/2022	1,906,085.94	2.20	15,082.54	1,905,226.34	1,881,593.75
US TREASURY N/B NOTES DTD 05/31/2022 2.500% 05/31/2024	91282CER8	2,200,000.00	AA+	Aaa	6/6/2022	6/7/2022	2,190,117.19	2.73	4,658.47	2,190,444.80	2,180,406.36
Security Type Sub-Total		16,100,000.00					16,085,769.55	0.87	30,640.47	16,084,891.85	15,878,078.42
Negotiable CD											
SUMITOMO MITSUI BANK NY CERT DEPOS DTD 07/14/2020 0.700% 07/08/2022	86565CKU2	250,000.00	A-1	P-1	7/10/2020	7/14/2020	250,000.00	0.70	836.11	250,000.00	249,945.75
CREDIT SUISSE NEW YORK CERT DEPOS DTD 03/23/2021 0.590% 03/17/2023	22552G3C2	200,000.00	A-1	P-1	3/19/2021	3/23/2021	200,000.00	0.59	347.44	200,000.00	196,106.20
Security Type Sub-Total		450,000.00					450,000.00	0.65	1,183.55	450,000.00	446,051.95

ANTELOPE VALLEY EAST KERN WATER AGENCY

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FEDERAL HOME LOAN BANKS NOTES DTD 08/13/2012 2.000% 09/09/2022	313380GJ0	900,000.00	AA+	Aaa	9/11/2020	9/14/2020	932,769.00	0.16	5,600.00	903,163.90	900,208.80
FEDERAL FARM CREDIT BANK NOTES DTD 05/16/2022 2.625% 05/16/2024	3133ENWP1	1,500,000.00	AA+	Aaa	5/18/2022	5/19/2022	1,497,570.00	2.71	4,921.88	1,497,713.53	1,488,507.00
Security Type Sub-Total		2,400,000.00					2,430,339.00	1.75	10,521.88	2,400,877.43	2,388,715.80
Corporate											
EXXON MOBIL CORPORATION CORPORATE NOTES DTD 08/16/2019 1.902% 08/16/2022	30231GBB7	175,000.00	AA-	Aa2	9/11/2020	9/15/2020	180,402.25	0.29	1,248.19	175,355.01	174,996.85
CHARLES SCHWAB CORP CORPORATE NOTES DTD 01/22/2013 3.225% 09/01/2022	808513AG0	175,000.00	A	A2	9/11/2020	9/15/2020	184,817.50	0.35	1,881.25	175,850.12	174,869.28
JPMORGAN CHASE & CO CORP NOTES DTD 09/24/2012 3.250% 09/23/2022	46625HJE1	375,000.00	A-	A2	9/24/2020	9/28/2020	395,670.00	0.46	3,317.71	377,394.87	375,543.75
MICROSOFT CORP CALLABLE CORP NOTES DTD 11/07/2012 2.125% 11/15/2022	594918AQ7	450,000.00	AAA	Aaa	3/18/2021	3/22/2021	463,873.50	0.25	1,221.88	453,152.02	449,037.90
MORGAN STANLEY CORP NOTES DTD 01/23/2018 3.125% 01/23/2023	61744YAN8	200,000.00	A-	A1	2/8/2022	2/10/2022	203,794.00	1.12	2,743.06	202,252.35	200,161.80
BB&T CORPORATION NOTES (CALLABLE) DTD 09/16/2019 2.200% 03/16/2023	05531FBJ1	200,000.00	A-	A3	11/9/2021	11/12/2021	204,464.00	0.53	1,283.33	202,212.51	198,715.20
CHEVRON CORP CORPORATE NOTES DTD 05/11/2020 1.141% 05/11/2023	166764BV1	200,000.00	AA-	Aa2	2/8/2022	2/10/2022	199,898.00	1.18	316.94	199,929.61	196,552.60
APPLE INC CORPORATE NOTES DTD 05/11/2020 0.750% 05/11/2023	037833DV9	375,000.00	AA+	Aaa	11/4/2021	11/8/2021	376,987.50	0.40	390.63	376,136.75	368,118.38
BANK OF AMERICA CORP NOTES DTD 07/23/2013 4.100% 07/24/2023	06053FAA7	350,000.00	A-	A2	8/5/2021	8/9/2021	375,284.00	0.39	6,258.19	363,739.76	353,311.70
AMERICAN HONDA FINANCE CORPORATE NOTES DTD 09/10/2020 0.650% 09/08/2023	02665WDM0	200,000.00	A-	A3	11/4/2021	11/8/2021	200,302.00	0.57	408.06	200,195.92	194,146.80

ANTELOPE VALLEY EAST KERN WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 10/18/2016 2.250% 10/18/2023	89236TDK8	200,000.00	A+	A1	11/9/2021	11/12/2021	206,564.00	0.54	912.50	204,413.24	197,358.80
CITIGROUP INC CORP NOTES DTD 10/25/2013 3.875% 10/25/2023	172967HD6	175,000.00	BBB+	A3	11/4/2021	11/8/2021	186,299.75	0.56	1,243.23	182,591.03	176,658.83
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 02/04/2014 3.650% 02/04/2024	06406HCS6	27,000.00	A	A1	2/8/2022	2/10/2022	28,042.20	1.66	402.41	27,830.46	27,034.88
BANK OF NY MELLON CORP NOTES (CALLABLE) DTD 02/04/2014 3.650% 02/04/2024	06406HCS6	348,000.00	A	A1	2/8/2022	2/10/2022	361,404.96	1.67	5,186.65	358,681.47	348,449.62
GOLDMAN SACHS GROUP INC CORPORATE NOTES DTD 03/15/2022 3.000% 03/15/2024	38141GZP2	200,000.00	BBB+	A2	5/19/2022	5/23/2022	198,826.00	3.34	1,766.67	198,895.16	197,401.80
COMCAST CORP (CALLABLE) CORPORATE NOTES DTD 10/05/2018 3.700% 04/15/2024	20030NCR0	185,000.00	A-	A3	6/15/2022	6/17/2022	185,540.20	3.53	1,445.06	185,528.33	185,528.73
IBM CORP NOTES DTD 05/15/2019 3.000% 05/15/2024	459200JY8	185,000.00	A-	A3	6/15/2022	6/17/2022	183,037.15	3.58	709.17	183,076.52	183,615.83
CATERPILLAR FINL SERVICE CORP NOTES DTD 05/17/2019 2.850% 05/17/2024	14913Q2V0	200,000.00	A	A2	5/19/2022	5/23/2022	199,788.00	2.91	696.67	199,799.40	198,144.00
Security Type Sub-Total		4,220,000.00					4,334,995.01	1.13	31,431.60	4,267,034.53	4,199,646.75
Commercial Paper											
CREDIT SUISSE NEW YORK COMM. PAPER DTD 11/04/2021 0.000% 08/01/2022	2254EBH12	550,000.00	A-1	P-1	11/4/2021	11/5/2021	548,767.08	0.30	0.00	549,857.92	549,072.70
MUFG BANK LTD/NY COMM PAPER DTD 11/04/2021 0.000% 08/01/2022	62479MH14	700,000.00	A-1	P-1	11/9/2021	11/10/2021	698,614.00	0.27	0.00	699,837.25	698,849.20

ANTELOPE VALLEY EAST KERN WATER AGENCY

Portfolio Holdings

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Commercial Paper											
NATIXIS NY BRANCH COMM PAPER DTD 12/14/2021 0.000% 09/09/2022	63873KJ99	750,000.00	A-1	P-1	12/15/202	12/16/202	747,691.56	0.42	0.00	749,394.79	746,892.75
Security Type Sub-Total		2,000,000.00					1,995,072.64	0.33	0.00	1,999,089.96	1,994,814.65
Managed Account Sub Total		25,170,000.00					25,296,176.20	0.95	73,777.50	25,201,893.77	24,907,307.57
Securities Sub Total		\$25,170,000.00					\$25,296,176.20	0.95%	\$73,777.50	\$25,201,893.77	\$24,907,307.57
Accrued Interest											\$73,777.50
Total Investments											\$24,981,085.07

Important Disclosures

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

Glossary

- **Accrued Interest:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **Agencies:** Federal agency securities and/or Government-sponsored enterprises.
- **Amortized Cost:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **Commercial Paper:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **Contribution to Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- **Repurchase Agreements:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **Settle Date:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **Supranational:** A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- **Trade Date:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **Unsettled Trade:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. Treasury:** The department of the U.S. government that issues Treasury securities.
- **Yield:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM at Cost:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM at Market:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

Summary

- ▶ In Q2, U.S. economic conditions were characterized by: (1) persistently high inflation; (2) declining consumer sentiment; (3) slowing economic growth and increasing recession probabilities; (4) more aggressive Federal Reserve (Fed) monetary policy tightening; (5) rising yields and decade-high mortgage rates; and (6) elevated volatility and risk-off sentiment in credit and equity markets.
- ▶ The first half of 2022 was one of the most difficult investment environments in the past 40 years due to the pace of interest rate increases and the resulting simultaneous weakness in both bond and stock market returns. As we enter the second half of the year, many of the first half's significant headwinds are still in place: high inflation, tighter Fed monetary policy, rising rates, wider credit spreads, slowing growth and lingering geopolitical turmoil.
- ▶ The focus of headlines on inflation remains very high, with the Consumer Price Index increasing 9.1% year-over-year (YoY) through June, the largest 12-month increase since December 1981. Numerous factors have driven this inflation: gasoline prices surged nearly 60%, shelter costs rose 5.6%, food was up 10.4%, while new and used cars rose 9% over that span. Some of these price pressures resulted from surging input costs for oil, industrial metals and agricultural products, exacerbated by Russia's ongoing invasion of Ukraine. But, more recently, many commodity prices have fallen substantially. For example, lumber, copper, aluminum, steel, cattle and coffee prices are now down on a year-to-date basis.
- ▶ As a result of surging inflation, the Fed lifted the overnight federal funds target rate three times in the first half of 2022, in March, May and June. The last hike was by three quarters of a percentage point (0.75%) to a new range of 1.5% to 1.75%, the largest hike since 1994. The market now expects short-term rates to reach 3.25% to 3.75% by year-end. In addition, the Fed kicked off its plan to reduce its balance sheet holdings of Treasuries and agency-backed mortgage securities through monthly runoff of maturities and principal payments.

Economic Snapshot

- ▶ U.S. economic real growth (inflation-adjusted) declined at an annual pace of 1.6% in Q1 2022, a big disappointment. The drop was a sharp reversal from the 6.9% increase in Q4. It resulted from decreases in exports, federal government spending, private inventory investment, and state and local government spending, while imports, which are a subtraction in the calculation of GDP, increased. The economy has downshifted from its torrid pace of 2021 as federal stimulus programs ended and rampant inflation cut into consumer spending habits and corporate profits. Economists' estimates for future GDP reflect expectations for growth to normalize in the future, with projections for the full calendar year 2022 at 2.1% and 2023 at 1.5%.
- ▶ The U.S. labor market remains a tailwind as the economy added 2.7 million new jobs this year. The unemployment rate remained at 3.6%, while wage growth remained elevated and job openings remained plentiful. Despite this apparent strength, job gains have begun to moderate, and the level of new weekly jobless claims has increased noticeably, indicating a possible sea change.
- ▶ Household spending has also adapted to rising food and energy costs. The share of

disposable income going towards non-discretionary items such as food, energy, debt service and rent broke a decade-long downtrend and is now rising quickly. Largely due to pain at the pump and grocery check-out counter, measures of consumer sentiment nosedived. The Conference Board Consumer Confidence Index dipped below 100 for the first in over a year, while the University of Michigan Consumer Sentiment Index reached an all-time low in June.

- ▶ Increasing inventories and a falling mortgage affordability index led to a sharp decline in home sales. Sales of both new and existing homes sales declined. On the manufacturing front, indices of activity posted a decline and moved toward their lowest levels in nearly two years, although still in expansionary territory. Automobile sales in June were down nearly 15% YoY.

Interest Rates

- ▶ U.S. Treasury yields rose sharply in Q2. By the end of the quarter, the yield on a 3-month U.S. Treasury Bill stood at 1.67% (up 1.17% over the quarter), the 2-year note was 2.96% (up 0.62%), the 5-year note was 3.04% (up 0.58%), the 10-year note was 3.02% (up 0.68%) and the 30-year ended the quarter at 3.19% (up 0.74%).
- ▶ As a result of rapidly increasing Treasury yields, fixed income indices posted large negative total returns. The ICE BofA 2-, 5-, and 10-year U.S. Treasury indices returned -0.50%, -2.05%, and -4.92%, respectively. Underscoring the recent historic underperformance of U.S. Treasuries, from peak to trough (August 3, 2020, to June 14, 2022), the 10-year Treasury Index lost -17%.

Sector Performance

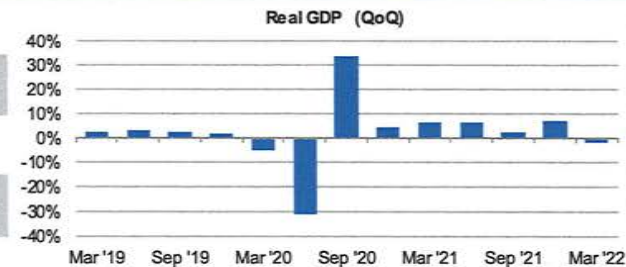
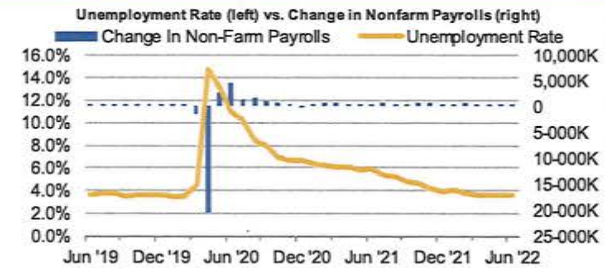
- ▶ Diversification in securities other than U.S. Treasury securities generally detracted from performance as few sectors were immune to risk-off sentiment and wider yield spreads. The exceptions were shorter-duration municipals and federal agency securities with maturities inside five years.
- ▶ Despite relatively stable fundamentals and a favorable upgrade/downgrade ratio, wider spreads on investment-grade (IG) corporates generated notably negative excess returns. Quickly tightening financial conditions and an increasing repricing of recession risks were the primary culprits. After rapidly retracing to close Q1, IG corporate spreads slowly and steadily increased throughout Q2, finishing at their widest level in two years. For the second consecutive quarter, lower quality and longer duration corporates underperformed their higher quality and shorter duration counterparts.
- ▶ Like corporates, AAA-rated asset-backed securities fundamentals remain strong, however growing economic growth concerns pushed spreads wider over the quarter. Historically, spreads in the sector remain elevated and appear attractive. The result of wider spreads was negative excess returns from the sector regardless of type, although credit card collateral outperformed auto loan-backed issues.
- ▶ Mortgage-backed securities (MBS) continued the trend of underperformance, finishing the worst start to a year in several decades. The looming acceleration of Fed balance sheet reduction of its MBS holdings has weighed on the sector for the better part of the year. Refinancing activity has plummeted and MBS durations have extended noticeably due to decade-high mortgage rates, further pressuring performance in the sector. Only the highest coupon MBS avoided sharply negative excess returns.

Economic Snapshot

Labor Market		Latest	Mar '22	Jun '21
Unemployment Rate	Jun'22	3.6%	3.6%	5.9%
Change In Non-Farm Payrolls	Jun'22	372,000	398,000	557,000
Average Hourly Earnings (YoY)	Jun'22	5.1%	5.6%	4.0%
Personal Income (YoY)	May'22	5.3%	-11.4%	3.1%
Initial Jobless Claims (week)	7/2/22	235,000	171,000	405,000

Growth		Latest	Mar '22	Jun '21
Real GDP (QoQ SAAR)	2022Q1	-1.6%	6.9% ¹	6.3% ²
GDP Personal Consumption (QoQ SAAR)	2022Q1	1.8%	2.5% ¹	11.4% ²
Retail Sales (YoY)	May'22	8.1%	7.1%	19.4%
ISM Manufacturing Survey (month)	Jun'22	53.0	57.1	60.9
Existing Home Sales SAAR (month)	May'22	5.41 mil.	5.75 mil.	5.97 mil.

Inflation / Prices		Latest	Mar '22	Jun '21
Personal Consumption Expenditures (YoY)	May'22	6.3%	6.6%	4.0%
Consumer Price Index (YoY)	May'22	8.6%	8.5%	5.4%
Consumer Price Index Core (YoY)	May'22	6.0%	6.5%	4.5%
Crude Oil Futures (WTI, per barrel)	Jun 30	\$105.76	\$100.28	\$73.47
Gold Futures (oz.)	Jun 30	\$1,807	\$1,949	\$1,772



1. Data as of Fourth Quarter 2021.

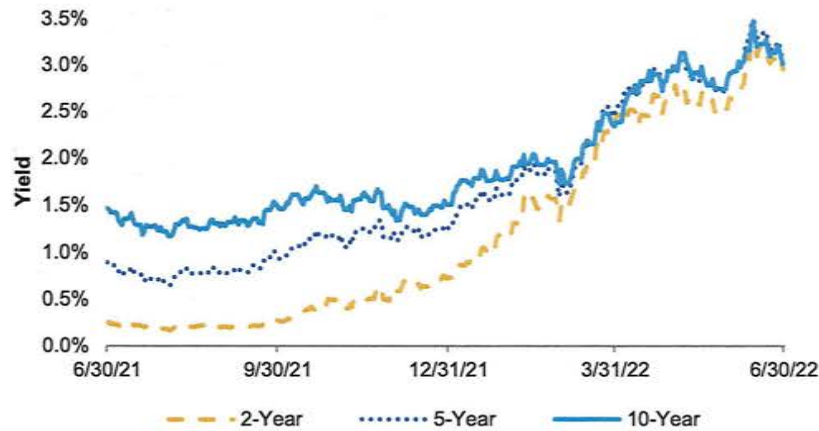
2. Data as of First Quarter 2021.

Note: YoY = year-over-year, QoQ = quarter-over-quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

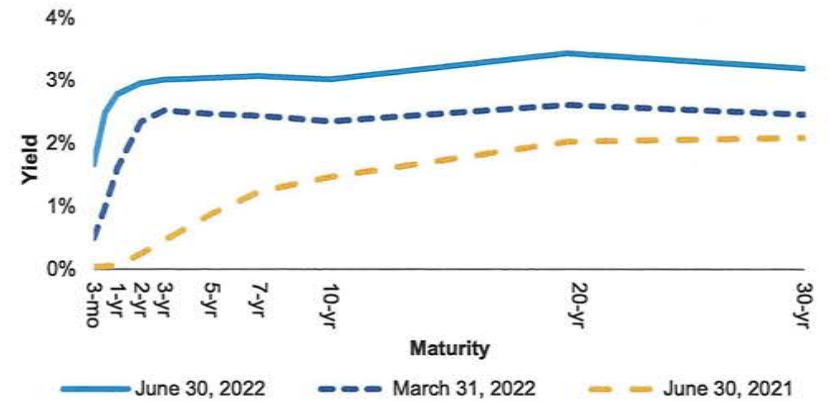
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



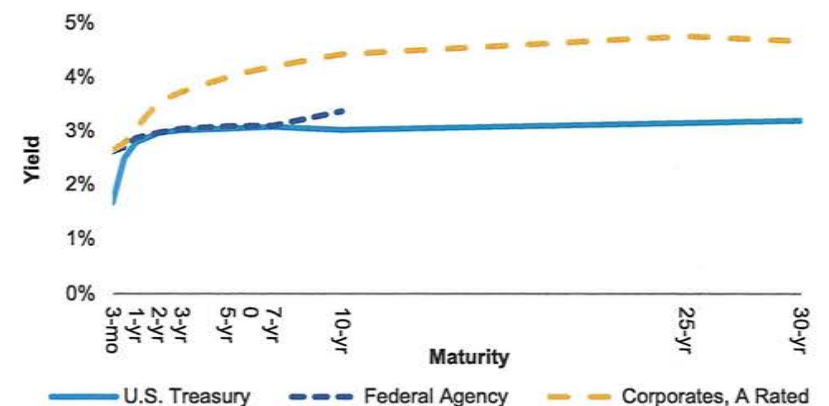
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Jun '22	Mar '22	Change over Quarter	Jun '21	Change over Year
3-Month	1.67%	0.50%	1.17%	0.04%	1.63%
1-Year	2.78%	1.61%	1.17%	0.07%	2.71%
2-Year	2.96%	2.34%	0.62%	0.25%	2.71%
5-Year	3.04%	2.46%	0.58%	0.89%	2.15%
10-Year	3.02%	2.34%	0.68%	1.47%	1.55%
30-Year	3.19%	2.45%	0.74%	2.09%	1.10%

Yield Curves as of 06/30/2022



Source: Bloomberg.

ICE BofAML Index Returns

June 30, 2022	As of 06/30/2022	Yield	Returns for Periods ended 06/30/2022		
	Duration		3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.85	2.95%	(0.50%)	(3.30%)	0.24%
Federal Agency	1.79	2.95%	(0.58%)	(3.25%)	0.16%
U.S. Corporates, A-AAA rated	1.95	3.70%	(0.91%)	(3.74%)	0.66%
Agency MBS (0 to 3 years)	2.14	3.14%	(0.35%)	(4.43%)	(0.09%)
Taxable Municipals	1.82	3.30%	(0.29%)	(2.64%)	1.78%
1-5 Year Indices					
U.S. Treasury	2.58	2.98%	(0.81%)	(4.61%)	0.04%
Federal Agency	2.34	3.00%	(0.90%)	(4.53%)	(0.14%)
U.S. Corporates, A-AAA rated	2.76	3.86%	(1.66%)	(5.82%)	0.39%
Agency MBS (0 to 5 years)	2.98	3.32%	(1.67%)	(5.87%)	(0.55%)
Taxable Municipals	2.66	3.47%	(0.64%)	(4.15%)	0.95%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.67	3.06%	(3.85%)	(8.91%)	(0.85%)
Federal Agency	3.77	3.12%	(1.98%)	(6.49%)	(0.11%)
U.S. Corporates, A-AAA rated	7.38	4.28%	(6.10%)	(12.90%)	(0.88%)
Agency MBS (0 to 30 years)	6.19	3.66%	(3.91%)	(9.10%)	(1.42%)
Taxable Municipals	9.99	4.40%	(7.05%)	(14.94%)	(0.52%)

Returns for periods greater than one year are annualized.
Source: ICE BofAML Indices.

Disclosures

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RECOMMENDED BOARD ORDER 8(a-2)

To the Board of Directors

FOR BOARD ACTION

PFM QUARTERLY REPORT:

The Board of Directors adopted the following board order on
September 13, 2022:

That the PFM Quarterly Report for the period ending June 30, 2022,
be approved and accepted for filing.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(a-2)

09-13-22

RECOMMENDED BOARD ORDER 8(a-3)

To the Board of Directors

FOR BOARD ACTION

**APPROVE PURCHASE ORDER FOR \$60,202.05
WITH BRAX PROCESS & PUMP EQUIPMENT FOR
ONE 33-HP SUBMERSIBLE PUMP AT QHWTP**

The Board of Directors adopted the following board order on
September 13, 2022:

Approving the proposal submitted by Brax Process and Pump
Equipment (West Coast Distributor for Sulzer/ABS pumps), for the purchase
of one 33 horsepower submersible pump in the amount of \$60,202.05, as
presented and recommended by staff and the Finance Committee.

Motion by _____

Second by _____

Carried _____

BOARD ORDER 8(a-2)

09-13-22



STAFF REPORT

To: Board of Directors	Date: August 19, 2022
From: Dwayne Chisam, General Manager	Prepared By: Jon Bozigian, Operations Manager Reviewed By: Matthew Knudson, AGM <i>M.K.</i>
Subject: Capital Project EN23-01	
Meeting Dates: September 8, 2022 (Finance) September 13, 2022 (Board) Attachment(s): <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

Recommendation:

Staff is requesting that the Board:

- Approve the proposal submitted by Brax Process & Pump Equipment, (West Coast Distributor for Sulzer/ABS pumps), for the purchase of one 33 horsepower submersible pump in the amount of \$60,202.05

Background:

- The Quartz Hill Treatment plant utilizes four of these submersible pumps to return water used for filter backwashing to the headworks of the plant. Having a spare pump in stock will eliminate the chance of plant downtime during critical 'high flow' periods. This pump purchase is part of the Board approved Capital Improvement Plan, Project EN23-01.

Note: This pump is manufactured in Germany with a 21-week lead time.

Budget Breakdown:

- Total budget for this capital item is \$75,000.
- This project (including the estimated shipping cost of \$800) is \$14,797.95 **under** budget.

Supporting Documents

- Quotation from Brax Process & Pump Equipment.



PROCESS AND PUMP EQUIPMENT
 2115 S Hellman Ave Unit H | Ontario CA 91761 | 909 923 9809

Quote

Quote # 42611
 Date 8/15/2022
 Sales Person BW
 Written By Mina Beshara
 Terms Net 30
 Freight PREPAID & ADD

***Due to ongoing supply chain issues and unstable costs of raw materials pricing is subject to change without notice.**

Bill To:
 AVEK WATER AGENCY
 6500 WEST AVENUE N.
 PALMDALE, CA 93551

Ship To:
 AVEK WATER AGENCY
 6500 WEST AVENUE N.
 PALMDALE, CA 93551

Project

Part Number	Qty	Description	Unit	Total
BRAX CO.	1	SULZER ABS XFP 200J-CH2 PE250/6J WITH STD CAST IRON COOLING JACKET, DUPLEX SS IMPELLER, SS WEAR RINGS, 33HP, 3/60/460V, 1180RPM, 49' CABLE LENGTH. PRODUCT CODE AXF52TC322H1117 DUPLICATE TO SN 300344022	53,698.00	53,698.00T
FREIGHT	1	FREIGHT TBD PREPAID&ADD LEAD TIME: 21-23 WEEKS	0.00	0.00

CLSB 487325 CAGE 6U1W7 DIR 1000441272

Sales Tax (10.25%) \$5,504.05

Total \$59,202.05

(A 3.5% SURCHARGE WILL BE ADDED TO ALL CREDIT CARD PAYMENTS)

ALL SALES SUBJECT TO TERMS AND CONDITIONS AT WWW.BRAXCOMPANY.COM

Estimated shipping → \$800.00

TOT → \$60,202.05