



AVSWCA

Antelope Valley State Water Contractors Association

www.avswca.org

COMMISSIONERS

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NEAL WEISENBERGER, *Commissioner*

OFFICERS

MATTHEW R. KNUDSON, *General Manager*
TOM BARNES, *Controller*
DANIELLE HENRY, *Administrative Assistant*

July 21, 2014

***Agenda for the Regular Meeting of the
Commissioners of the Antelope Valley State Water Contractors
Association to be held at the Palmdale Water District's office
at 2029 East Avenue Q, Palmdale
Thursday, July 24, 2014
6:30 p.m.***

NOTE: To comply with the Americans with Disabilities Act, to participate in any Association meeting please contact Danielle Henry at 661-947-4111 x1059 at least 48 hours prior to an Association meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the Palmdale Water District's office located at 2029 E. Ave. Q, Palmdale. Please call Danielle Henry at 661-947-4111 x1059 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the Association to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance.
- 2) Roll call.
- 3) Public comments for items not on the agenda.
- 4) Consideration and possible action on minutes of regular meeting held May 29, 2014.
- 5) Payment of bills.

- 6) Discussion and possible action on 2014/2015 Goals for the Association. (General Manager Knudson/Ad Hoc Committee)
- 7) Consideration and possible action on Budget for Fiscal Year 2014/2015. (General Manager Knudson)
- 8) Consideration and possible action to Authorize the Commission Chair to Execute an Attorney Conflict of Interest Waiver with William Wynder, Esquire and Patricia Quilizapa, Esquire of Aleshire & Wynder LLP. (General Manager Knudson)
- 9) Report of General Manager.
 - a) Update on Revenue, Expenditures and Change in Net Position.
 - b) Update on facility tours of the Sanitation Districts of Los Angeles County.
 - c) Update on the Antelope Valley Prop. 84, Round 3 Grant Application.
 - d) Update on the Antelope Valley Integrated Regional Water Management Plan Stakeholder and Regional Water Management Group Meeting.
- 10) Report of Controller.
- 11) Reports of Commissioners.
- 12) Report of Attorney.
- 13) Commission members' requests for future agenda items.
- 14) Consideration and possible action on scheduling the next Association meeting.
- 15) Adjournment.

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

DATE: July 21, 2014 July 24, 2014
TO: AVSWCA Commissioners **Commission Meeting**
FROM: Matthew R. Knudson, General Manager
RE: *AGENDA ITEM NO. 5 – PAYMENT OF BILLS*

Recommendation:

Staff has reviewed and recommends payment of the attached invoice from the Palmdale Water District in the amount of \$2,866.87. This invoice includes labor charges of \$1,835.77 for Matthew Knudson (General Manager), Danielle Henry (Administrative Assistant), and Dennis Hoffmeyer (Finance) for the period of April 20, 2014 through June 28, 2014, as well as charges of \$1,031.10 for Antelope Valley Press Advertisements.

Staff has reviewed and recommends payment of the attached invoice from Antelope Valley East Kern Water Agency in the amount of \$898.95. This invoice includes labor charges for Tom Barnes (Controller) for the period of May 1, 2014 through June 30, 2014



PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
www.palmdalewater.org

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ALESHIRE & WYNDER LLP
Attorneys



July 14, 2014

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

RE: CHARGES FOR STAFF TIME IN PREPARING AGENDAS, MINUTES,
ETC. FOR APRIL 20 THRU JUNE 28, 2014.

<u>Labor: (Pay period beginning date)</u>		<u>Amount</u>
04-20-14	11.00 Hrs.	451.27
05-04-14	6.00 Hrs.	216.79
05-18-14	9.00 Hrs. 1.25 Hrs. O.T.	492.74 60.59
06-01-14	5.50 Hrs.	247.45
06-15-14	6.50 Hrs.	366.93
	TOTAL LABOR	1,835.77
06-30-14	Antelope Valley Press Ads	1,031.10
	TOTAL DUE	<u>\$2866.87</u>

If you have any questions please contact me at 661-456-1014.

Sincerely,

YOLANDA I. RADOVIC, Accounting Assistant II
/ytr

(Work order # PWD09ADMAVSCA
Please Credit GL# 1-00-3030-000



PO Box 4050
 Palmdale, CA 93590-4050
 TEL: (661) 273-2700 FAX: (661) 947-4870

Billing Period		Advertiser / Client Name	
06/01/2014 - 06/30/2014		PALMDALE	
Current	30 Days	60 Days	Over 90 Days
\$1,389.10	\$0.00	\$0.00	\$0.00
Deposit	Terms of Payment	Total Amount Due	
\$0.00	Net 30 Days	\$1,389.10	

**ADVERTISING
 INVOICE AND STATEMENT**

Billed Account Name and Address	Page #	Billing Date
PALMDALE WATER DISTRICT 2029 E AVENUE Q PALMDALE CA 93550-0000	Page 1 of 2	06/30/2014
	Billed Account Number	
	108580	
	Advertising / Client Name	
	PALMDALE	

Tear along Dotted line.

PLEASE DETACH AND RETURN UPPER PORTION WITH YOUR REMITTANCE

Date	Ad #	Description Other Comments / Charges	SAU Size Billed Units	Times Run/Pub	Rate	Gross Amount	Net Amount
05/31		Balance Forward					\$0.00
06/07	4166120	plant sale <i>1-09-4190-700</i> Claudette LINDA Special Color SUB TOTAL FOR AD: 4166120	10.000 inch 2x5I	1 - AVP	20.50	205.00 153.00	<i>358.00</i>
06/25	4167159	public notice mathew SUB TOTAL FOR AD: 4167159	15.000 inch 3x5I	1 - AVP	39.28	589.20	589.20
	74167159	Palmdale Water Distr <i>AVSWCA</i> SUB TOTAL FOR AD: 74167159	15.000 inch 3x5I	1 - WEB			0.00
06/30	4167159	public notice mathew PU 25% Discount SUB TOTAL FOR AD: 4167159	15.000 inch 3x5I	1 - AVP	39.28	589.20 (147.30)	441.90
	74167159	Palmdale Water Distr <i>AVSWCA</i> SUB TOTAL FOR AD: 74167159	15.000 inch 3x5I	1 - WEB			0.00

CONTRACT NAME: Retail \$Volume

EXPIRES	COMMITMENT	PERIOD	TO DATE	TO FULFILL
05/31/2015	1,000.00	1,389.10	1,389.10	0.00

258 PWD09ADMVSCA
\$ 1,031.10

7/3/14
OK TO PAY
m.x.

STATEMENT OF ACCOUNT AGING OF PAST DUE AMOUNTS

Current	30 Days	60 Days	Over 90 Days	Deposit	Total Amount Due
\$1,389.10	\$0.00	\$0.00	\$0.00	\$0.00	\$1,389.10



P.O. BOX 4050 Palmdale CA 93590-4050
 TEL: (661) 273-2700 FAX: (661) 947-4870

Advertiser Information

Billing Period	Billed Account Number	Advertiser/Client Number	Advertiser/Client Name
06/01/2014 - 06/30/2014	108580	(661)947-4111	PALMDALE

TERMS: BALANCE DUE UPON RECEIPT. NET 30 DAYS

A FINANCE CHARGE OF 1 1/2%, ANNUAL PERCENTAGE RATE OF 18%, WILL BE ADDED TO ANY PAST DUE BALANCE.

RECEIVED

JUL 07 2014

BY: _____

COPIES

A8 Wednesday, June 25, 2014, Antelope Valley Press

Public Notice

A joint Antelope Valley Integrated Regional Water Management (IRWM) Stakeholder and Regional Water Management Group (RWMG) meeting is scheduled for 9 a.m. on July 9, 2014. The meeting will be held at the Chimbole Cultural Center, located at 38350 Sierra Highway in the City of Palmdale. The primary purpose of the meeting is to have the RWMG adopt the 2013 Antelope Valley IRWM Plan Update. The updated plan is available to view at www.avwaterplan.org.

The Antelope Valley Integrated Regional Water Management (IRWM) Program has prepared an update to the Antelope Valley IRWM Plan adopted in 2007. IRWM Plans are regional plans designed to improve collaboration in water resources management. The first IRWM Plan for Antelope Valley was published in 2007, following a multi-year effort among water retailers, wastewater agencies, storm water and flood managers, watershed groups, the business community, agriculture representatives, and non-profit stakeholders to improve water resources planning in the Antelope Valley IRWM Region.

In response to changes in the State's integrated planning requirements, the Antelope Valley IRWM Program has prepared an update to the 2007 IRWM Plan. This update has incorporated additional stakeholder interests into the IRWM Plan, and has revisited the Plan in light of changes that have occurred since 2007.

The 2007 IRWM Plan and the 2013 update may be viewed online at www.avwaterplan.org.

Questions regarding the AV IRWM update should be directed to: Tim Chen and tchen@dpw.lacounty.gov.

This public notice is being published in accordance with section 10543 of the California Water Code.

Submitted by an Advisory Team member representing Industry and Commerce

4187159

RECEIVED

JUL 07 2014

BY: _____

Antelope Valley Press, Monday, June 30, 2014 **A5**

Public Notice

A joint Antelope Valley Integrated Regional Water Management (IRWM) Stakeholder and Regional Water Management Group (RWMG) meeting is scheduled for 9 a.m. on July 9, 2014. The meeting will be held at the Chimbole Cultural Center, located at 38350 Sierra Highway in the City of Palmdale. The primary purpose of the meeting is to have the RWMG adopt the 2013 Antelope Valley IRWM Plan Update. The updated plan is available to view at www.avwaterplan.org.

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Submitted by an Advisory Team member representing Industry and Commerce

4167158

OFFICERS

DAN FLORY
General Manager

HOLLY H. HUGHES
Secretary-Treasurer



A PUBLIC AGENCY

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NEAL A. WEISENBERGER
Division 7

July 15, 2014

Antelope Valley State Water Contractors Assoc.

c/o Palmdale Water District

2029 East Ave. Q

Palmdale, CA 93550

Re: **Invoice of Charges for Staff**
Tom Barnes – AVSWCA Controller
May 1st – June 30th, 2014

Total: \$898.95

Period	Hours	Amount	Notes
May 1, 2014 thru May 31, 2014	8	\$ 479.44	AVSWCA Meeting & Preparation, Commissioner communications, Website updates.
June 1, 2014 thru June 30, 2014	7	\$ 419.51	AVSWCA Tours (2) LACSD, Commissioner communications.
Total:	15	\$ 898.95	

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

COMMISSION MEMORANDUM

DATE:	July 21, 2014	July 24, 2014
TO:	AVSWCA Commissioners	Commission Meeting
FROM:	Matthew Knudson, General Manager	
RE:	<i>AGENDA ITEM NO. 6 - CONSIDERATION AND POSSIBLE ACTION ON 2014/2015 GOALS FOR THE ASSOCIATION</i>	

Recommendation:

Staff recommends that the Commissioners approve the recommended 2014/2015 Goals for the Antelope Valley State Water Contractors Association and direct staff to dedicate resources to accomplish the proposed 2014/2015 Goals listed below.

Background:

An Ad-Hoc Committee of the Antelope Valley State Water Contractors Association (AVSWCA) met to discuss the goals and direction of the AVSWCA. The Ad-Hoc Committee had Commissioner and General Manager representation from each of the member agencies. The focus of the Committee was to review and discuss the current "Statement of Principles and Objectives" for the AVSWCA and determine if there is a need or desire to update or revise said Principles and Objectives. The recommendation of the Committee is to leave the Statement of Principles and Objectives as they currently exist. The consensus was that they are sufficient and broad enough to fulfill all of the goals that the AVSWCA was originally formed to accomplish. The Committee however did recommend staff develop a list of short-term goals to present to the Commissioners for consideration in order to provide guidance and direction for AVSWCA staff.

2014/2015 Goals

- 1) Develop an agreement between AVEK, LCID, PWD, and Department of Water Resources (DWR) that recognizes the Antelope Valley as a closed groundwater basin should be considered as a State Water Project (SWP) Region as related to inter-agency SWP exchanges. This agreement will allow the three Antelope Valley SWP Contractors the ability to exchange SWP water without the need to obtain DWR approval for each specific exchange and allow a mechanism for the accounting and reporting of said exchanges. The AVSWCA staff will strive to have said agreement executed by the end of 2014, but recognizes due to the current statewide drought that DWR staff is busy dealing with statewide water supply transfers, etc;
- 2) Continue to be the contracting agency for the on-going United States Geological Survey (USGS) Joint Funding groundwater level and quality monitoring and mapping program for

the Antelope Valley. Funding these efforts will continue to be distributed based on member agency SWP Table A amounts. The USGS has committed to present an updated interactive map to the AVSWCA in early 2015;

- 3) Continue to be the monitoring and reporting agency for the California Statewide Groundwater Elevation Monitoring (CASGEM) Program. On November 4, 2009 the State Legislature amended the Water Code with SBx7-6, which mandates a statewide groundwater elevation monitoring program to track seasonal and long-term trends in groundwater elevations in California's groundwater basins. The intent of the CASGEM program is to establish a permanent, locally-managed program of regular and systematic monitoring in all of California's groundwater basins. The CASGEM program relies and builds on the established local long-term groundwater monitoring Joint-Funding Agreement between the USGS and AVSWCA. Funding these efforts will continue to be distributed based on member agency SWP Table A amounts;
- 4) Continue to be the agency that accounts for and disburses the Regional Water Management Group (RWMG) monetary contributions for projects and programs agreed to be funded with said monetary contributions;
- 5) Continue to be the lead agency that contracts with grant awarding agencies, consultants, and engineers to develop, study, and update the Antelope Valley-Integrated Regional Water Management Plan (AV-IRWMP);
- 6) Continue to encourage stakeholder input and participate in the AV-IRWMP Stakeholder and Advisory Team Meetings to provide input on water supply related topics;
- 7) Increase public outreach and public education of water supply issues facing the Antelope Valley. Periodically discuss which community events the AVSWCA shall participate in, and attend, based on current water issues and intended message.

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

DATE: July 21, 2014 July 24, 2014
TO: AVSWCA Commissioners Commission Meeting
FROM: Matthew Knudson, General Manager
RE: *AGENDA ITEM NO. 7 - CONSIDERATION AND POSSIBLE ACTION ON
BUDGET FOR FISCAL YEAR 2014/2015*

Recommendation:

Staff recommends that the Commissioners of the AVSWCA (Association) approve the attached proposed budget for fiscal year 2014/2015.

Background:

The proposed budget has been broken into three categories: General Operating Funds, Restricted Funds (USGS Groundwater Monitoring Program), and Restricted Funds (Antelope Valley Integrated Regional Water Management Plan).

On the Expenditure side for the General Operating Funds, the categories include:

- Insurance: Liability insurance for the Association obtained through ACWA/JPIA
- Memberships: Membership in ACWA
- Miscellaneous: Includes all miscellaneous expenses not covered in other Association accounts (business cards, meals, etc.)
- Outreach: Includes the website, possible purchase of a tabletop display, promotional items, and event fees
- Contract Services: (Administration): Services provided by AVEK (Tom Barnes – Controller) and PWD (Dawn Deans – Executive Secretary, Danielle Henry – Administrative Assistant, Matthew Knudson – General Manager, Dennis Hoffmeyer – Finance)

On the Expenditure side for the Restricted Funds (USGS Groundwater Monitoring and CASGEM Program), the categories include:

- Contract Services (USGS): Consulting engineering services for a Joint Funding Agreement with the USGS for groundwater monitoring within the Antelope Valley. This also includes the collection of data to comply with the California Statewide Groundwater Elevation Monitoring Program.

On the Expenditure side for the Restricted Funds (AV Integrated Regional Water Management Plan), the categories include:

- Contract Services (AV-IRWMP): Consulting engineering services for work related to the Antelope Valley Integrated Regional Water Management Plan (on behalf of the Regional Water Management Group and the AV-IRWMP).

Per the bylaws of the Association, the first \$30,000 of member agency contributions is split evenly to cover General Operating Costs. Therefore, it is recommended that each of the three member agencies contribute \$8,000 in Fiscal Year 2014/2015 to the Association's General Operating Fund to cover the proposed 2014/2015 General Operating Costs of \$24,000.

The Association's share of the USGS groundwater monitoring program is estimated to be \$76,725.00 in order to make the Association whole on the commitments with the USGS. The Association's current policy for funding this program is to use State Water Project Table "A" amounts to determine the split among the member agencies. Based on this policy, the \$76,725.00 would be split among the member agencies as follows:

AVEK:	\$ 65,753.00 (85.7%)
PWD:	\$ 9,898.00 (12.9%)
LCID:	<u>\$ 1,074.00 (1.4%)</u>
Total =	\$ 76,725.00

Based on the General Operating Fund contributions, and the contributions for the USGS program, the following is the total amount each of the member agencies must commit if the attached 2014/2015 Budget is approved:

The total contribution for AVEK in 2014/15 will be \$73,753.00.

The total contribution for PWD in 2014/15 will be \$17,898.00.

The total contribution for LCID in 2014/15 will be \$9,074.00.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

General Operating Funds

Proposed Budget - FY 2014/15

	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROPOSED
Revenues:						
Member Contributions	\$ 21,000.00	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 18,000.00	\$ 24,000.00
Interest Earnings	74.25	752.09	264.40	81.61	49.81	50.00
Revenue - Refund/Misc					3,550.80	
Total Revenue	<u>\$ 21,074.25</u>	<u>\$ 18,752.09</u>	<u>\$ 18,264.40</u>	<u>\$ 81.61</u>	<u>\$ 21,600.61</u>	<u>\$ 24,050.00</u>
Expenditures:						
Insurance (ACWA/JPIA)	\$ 1,887.00	\$ 1,815.00	\$ 2,183.00	\$ 2,133.02	\$ 2,183.00	\$ 2,350.00
Memberships (ACWA)	1,520.00	1,435.00	1,560.00	1,625.00	1,755.00	1,900.00
Outreach (Web Site, Community Activities)	540.00	1,145.00	2,603.00	648.00	788.00	3,000.00
Miscellaneous (Bank Fees, Refreshments, Etc.)	50.34	-	98.95	88.50	369.07	500.00
Contract Services - Administration	14,228.28	13,079.60	17,933.21	7,254.90	11,984.73	12,000.00
Contract Services - Financial Audit	2,000.00	-	-	-	6,000.00	4,000.00
Total Expenditures	<u>\$ 20,225.62</u>	<u>\$ 17,474.60</u>	<u>\$ 24,378.16</u>	<u>\$ 11,749.42</u>	<u>\$ 23,079.80</u>	<u>\$ 23,750.00</u>
Net Income (Loss)	<u>\$ 848.63</u>	<u>\$ 1,277.49</u>	<u>\$ (6,113.76)</u>	<u>\$ (11,667.81)</u>	<u>\$ (1,479.19)</u>	<u>\$ 300.00</u>

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Restricted Funds

Proposed Budget - FY 2014/15

AV INTEGRATED REGIONAL WATER MANAGEMENT PLAN (AVIRWMP)

	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	PROPOSED BUDGET
Revenues:								
AV Regional Water Management Group	\$ 55,000.00	\$ -	\$ 131,278.33	\$ -	\$ -	\$ -	\$ -	\$ -
AV IRWMP 2013 Update (Prop. 84 Grant)	-	-	-	-	28,729.56	63,948.84	54,714.84	325,000.00
Total Revenue	<u>\$ 55,000.00</u>	<u>\$ -</u>	<u>\$ 131,278.33</u>	<u>\$ -</u>	<u>\$ 28,729.56</u>	<u>\$ 63,948.84</u>	<u>\$ 54,714.84</u>	<u>\$ 325,000.00</u>
Expenditures:								
Contract Services - AVIRWMP	\$ 11,707.30	\$ 9,833.93	\$ 6,959.12	\$ 47,269.00	\$ -	\$ -	\$ 48,656.77	\$ -
Contract Services - AVIRWMP (Contract Commitments)	-	-	-	-	-	-	-	39,416.33
Contract Services - IRWMP 2013 Update	-	-	-	-	25,736.78	72,197.27	-	325,000.00
Total Expenditures	<u>\$ 11,707.30</u>	<u>\$ 9,833.93</u>	<u>\$ 6,959.12</u>	<u>\$ 47,269.00</u>	<u>\$ 25,736.78</u>	<u>\$ 72,197.27</u>	<u>\$ 48,656.77</u>	<u>\$ 364,416.33</u>
Net Income (Loss)	<u>\$ 43,292.70</u>	<u>\$ (9,833.93)</u>	<u>\$ 124,319.21</u>	<u>\$ (47,269.00)</u>	<u>\$ 2,992.78</u>	<u>\$ (8,248.43)</u>	<u>\$ 6,058.07</u>	<u>\$ (39,416.33)</u>

	Revenue	Expenditures	Income(Loss)
AVIRWMP	\$ 186,278.33	\$ 124,426.12	\$ 61,852.21
Grant Funds	147,393.24	97,934.05	49,459.19
	<u>\$ 333,671.57</u>	<u>\$ 222,360.17</u>	<u>\$ 111,311.40</u>

AVIRWMP Portion in Bank (Remaining Group & Grant Funds)

ANTELOPE VALLEY STATE WATER CONTRATORS ASSOCIATION
Antelope Valley Water Management Group
Consulting Funds

Date	Description	Amount
Revenues:		
2/19/2008	Antelope Valley - East Kern Water Agency	\$ 5,000.00
2/19/2008	Antelope Valley BIA	5,000.00
2/19/2008	City of Lancaster	5,000.00
3/7/2008	City of Palmdale	5,000.00
4/24/2008	LA County Sanitation District 14	5,000.00
4/24/2008	LA County Sanitation District 20	5,000.00
5/5/2008	LA County Waterworks District 40	5,000.00
3/7/2008	Littlerock Creek Irrigation District	5,000.00
3/7/2008	Palmdale Water District	5,000.00
2/19/2008	Quartz Hill Water District	5,000.00
3/20/2008	Rosamond Community Services District	5,000.00
9/28/2009	LA County Waterworks District 40 - Funds Transfer	131,278.33
Total Revenue:		<u>\$ 186,278.33</u>
Expenditures:		
5/15/2008	Kennedy/Jenks Consultants (Invoice # 31842)	\$ (7,347.69)
6/18/2008	Kennedy/Jenks Consultants (Invoice # 32971)	(4,359.61)
6/11/2009	Kennedy/Jenks Consultants (Invoice # 39996)	(9,833.93)
7/9/2009	Kennedy/Jenks Consultants (Invoice # 40960)	(6,179.77)
8/13/2009	Kennedy/Jenks Consultants (Invoice # 41802)	(779.35)
9/9/2010	RMC Agreement (Planning Grant Application)	(17,349.00)
4/20/2011	RMC Agreement Amargosa Creek (Invoice 12161)	(3,715.69)
5/19/2011	RMC Agreement Amargosa Creek (Invoice 12161)	(11,715.00)
6/30/2011	RMC Agreement Amargosa Creek (Invoice 12496)	(14,489.31)
2/14/2013	RMC Agreement Littlerock Sediment, Proposition 1E Grant Application	(28,840.00)
3/4/2013	RMC Agreement Boron CSD, Proposition 84, Round 2	(19,970.00)
2/27/2014	RMC As Needed Contract	(8,642.00)
5/30/2014	RMC Agreement LACWWD Arsenic Treatment, Prop. 84, Round 3, Part 1	(29,590.00)
6/30/2014	PWD Re-imbursement - AV Press Ads (Public Notices - June 25 & 30)	(1,031.10)
Total Expenses:		<u>\$ (163,842.45)</u>
Current Balance:		<u>\$ 22,435.88</u>

 = Total Contract Amount (Portion Remaining to be paid \$1,184.33)

 = Commitment Contract Approved



**ALESHIRE &
WYNDER LLP**
ATTORNEYS AT LAW

Respond to Irvine
Patricia J. Quilizapa
pquilizapa@awattorneys.com
Direct (949) 250.5437

Orange County
18881 Von Karman Ave., Suite 1700
Irvine, CA 92612
P 949.223.1170 • F 949.223.1180

Los Angeles
2381 Rosecrans Ave., Suite 475
El Segundo, CA 90245
P 310.527.6660 • F 310.532.7395

Inland Empire
3880 Lemon Street, Suite 520
Riverside, CA 92501
P 951.241.7338 • F 951.300.0985

Central Valley
2125 Kern Street, Suite 307
Fresno, CA 93721
P 559.445.1580 • F 888.519.9160

awattorneys.com

July 21, 2014

Hon. Barbara Hogan
Chair, Antelope Valley State Water
Contractors Association
2029 East Avenue Q
Palmdale, California 93550

Hon. Kathy Mac Laren
President, Board of Directors
Palmdale Water District
2029 East Avenue Q
Palmdale, California 93550

Re: *Disclosure of Potential Conflict of Interests and Waiver re: Representation of
Antelope Valley State Water Contractors Association*

Dear Chair Hogan and President Mac Laren:

We are most pleased to have been appointed as the Palmdale Water District's General Counsel. As such, our firm will also be serving as General Counsel to the Antelope Valley State Water Contractors Association ("Association") pursuant to the pre-existing structure of the Association. As you know, the Association is a joint powers authority, whose members are the Antelope Valley-East Kern Water Agency ("AVEK"), the Littlerock Creek Irrigation District ("Littlerock Creek"), and the Palmdale Water District ("Palmdale"). We understand that the Association's governing board has determined that it is in the best interests of the Association to utilize each member's General Counsels to serve as General Counsel to the Association, on a rotating basis.

Palmdale's General Counsel was serving as Counsel to the Association at the time of our firm's transition as the District's General Counsel on March 3, 2014. Thus, we present this potential conflict disclosure and waiver request for our firm to also serve as Counsel to the Association. Although we have not identified any probable conflicts at this time, it presents this disclosure and waiver to ensure the Association is fully informed of the law related to concurrent representations and how that law relates to our firm's concurrent representation of the Association and Palmdale.

The California Rules of Professional Conduct preclude an attorney from representing a client in one matter and at the same time in a separate matter accepting as a client an entity whose interests potentially conflict to the client in the first matter without the informed written consent of each client (Rule 3-310(C)(1)).

This rule means that the partners and associate attorneys at my firm (including me), as attorneys for Palmdale, are precluded from providing services for a new client (the Association) if at the same time, we represent an existing client (Palmdale) in a matter where the Association's interests could potentially be adverse to Palmdale, without first obtaining the informed written consent of each client.

The specific rules that requires such consent are Rules 3-310 (A), (B) and (C) of the Rules of Professional Conduct, which provides as follows:

Rule 3-310. Avoiding the Representation of Adverse Interests

(A) For purposes of this rule:

(1) "Disclosure" means informing the client or former client of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to the client or former client;

(2) "Informed written consent" means the client's or former client's written agreement to the representation following written disclosure;

(3) "Written" means any writing as defined in Evidence Code section 250.

(B) A member shall not accept or continue representation of a client without providing written disclosure to the client where:

(1) The member has a legal, business, financial, professional, or personal relationship with a party or witness in the same matter; or

(2) The member knows or reasonably should know that:

(a) The member previously had a legal, business, financial, professional, or personal relationship with a party or witness in the same matter, and

(b) the previous relationship would substantially affect the member's representation; or

(3) The member has or had a legal, business, financial, professional, or personal relationship with another person or entity the member knows or reasonably should know would be affected substantially by resolution of the matter; or

(4) The member has or had a legal, business, financial, or professional interest in the subject matter of the representation.

- (C): A member shall not, without the informed written consent of each client:
- (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
 - (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or
 - (3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

The purpose of the Association is described in Exhibit A to the Joint Powers Agreement Creating the ... Association as follows:

“... to facilitate the coordinated development and implementation of plans and programs to satisfy their obligations consistent with their legal authority.”

We understand Palmdale’s interests are not currently adverse to the interests of the Association.¹ However, as the Association begins to develop or implement any programs, Palmdale’s interests may differ from the Association. For example, there could be disputes between Palmdale and the Association regarding the amount of Association resources allocated to particular activities, or disputes regarding each member’s responsibilities in the event of a claim brought against the Association and/or any of its members.

¹ To the extent Palmdale’s interests may be adverse to the other member’s interests in the Antelope Valley Groundwater Adjudication (the “Adjudication”), our firm does not represent Palmdale in that Adjudication and therefore its representation of the Association creates no conflicts related to the Adjudication, which consists of the following cases:

- *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., et al.*
Los Angeles County Superior Court, CaseNo. BC 325 201;
- *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co., et al.*
Kern County Superior Court, Case No. S-1500-CV-254-348; and
- *Wm. Bolthouse Farms, Inc. v. City of Lancaster*
Diamond Farming Co. v. City of Lancaster
Diamond Farming Co. v. Palmdale Water District
Riverside County Superior Court, Consolidated Action, Case Nos. RIC 353 840, RIC 344 436, RIC 344 668.

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In the event there is a dispute over the activities of the Association, the Palmdale's interests may become adverse to the Association. In the event such a dispute arises, where the Palmdale's interests are adverse to the Association, my firm and I would be obliged to disqualify ourselves from representing some or all of the entities in that dispute. The Association acknowledges and consents, unless ethically impossible under the circumstances, to my firm continuing to represent Palmdale in the event of a conflict between Palmdale and the Association.

In light of this potential conflict, however unlikely, it is appropriate for us to seek the Association's informed written consent of our representation of the Association on matters to which the Association is potentially, but not currently, adverse to Palmdale.

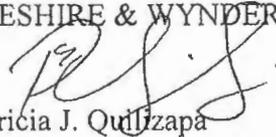
Accordingly, we request that the Association approve this disclosure and consent acknowledging that (i) the Association has been advised of Rule 3-310(c) and of the potential conflicts associated with our representation of the Association while at the same time representing Palmdale as its General Counsel; and (ii) the Association consents to my firm concurrently representing the Association and Palmdale.

The Association is encouraged to seek independent counsel at any time if the Association seeks legal guidance in the approval of this consent.

We look forward to working with the Association.

Very truly yours,

ALESHIRE & WYNDER, LLP



Patricia J. Quilzapa

PJQ:bb

cc: Matt Knudson, AVSWCA General Manager

William W. Wynder of Aleshire & Wynder, LLP, General Counsel for Palmdale Water District, has disclosed and explained that there exists potential conflicting interests in his firm's concurrent representation of the Association and Palmdale Water District and has informed the Association of the possible consequences of these conflicts. The Association understands that it has the right to seek independent counsel before signing this consent or at any future time. The Association desires to have the benefit of the representation by William Wynder and Aleshire & Wynder, LLP in connection with matters involving the Association and consents and gives

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approval to such representation as well as consents and gives approval to William W. Wynder and Aleshire & Wynder, LLP to continue the representation of the Palmdale Water District.

Barbara Hogan, Chair
Antelope Valley State Water Contractors
Association
July _____, 2014

Acknowledged:

Kathy Mac Laren
President, Board of Directors
Palmdale Water District
July _____, 2014

ANTELOPE VALLEY STATE WATER CONTRACTORS
Statement of Revenues, Expenditures and Change in Net Position
For the Twelve Months Ending 6/30/2014

	<u>June</u>	<u>YTD</u>
Revenues:		
Contributions - Member Agency		\$18,000.00
Contributions - Member Programs (USGS & CASGEM)		89,400.00
Contributions - Others (AVRWMG)		
Grant Re-imbursement - IRWMP 2013 Update		54,714.84
Water Sales - Pilot In-Lieu Banking		
Miscellaneous Refund		3,550.80
Interest Earnings	3.26	49.81
Total Revenue		<u><u>\$165,715.45</u></u>
 Expenditures:		
General Government		
Bank Fees		\$187.30
Insurance		2,183.00
Memberships		1,755.00
Outreach		788.00
Purchased Water		
Miscellaneous		181.77
		<u>5,095.07</u>
 Public Resource		
Contract Services - Administration	2,734.72	11,984.73
Contract Services - USGS & CASGEM		62,050.00
Contract Services - AVRWMG	1,031.10	1,031.10
Contract Services - IRWMP 2013 Update		
Contract Services - Other		6,000.00
		<u>81,065.83</u>
 Total Expenditures		 <u><u>\$86,160.90</u></u>
 Change in Net Position		 <u><u>\$79,554.55</u></u>
 Net Position - Beginning of Year		 45,631.88
 Net Position - End of Year		 <u><u>\$125,186.43</u></u>

ANTELOPE VALLEY STATE WATER CONTRACTORS
Statement of Net Position
For the Twelve Months Ending 6/30/2014

	<u>YTD</u>
ASSETS	
Cash - Unrestricted	\$6,300.08
Restricted	122,652.17
Accounts Receivable	0.00
Prepaid Insurance	0.00
Total Assets	<u><u>\$128,952.25</u></u>
 LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$3,765.82
Total Liabilities	<u>3,765.82</u>
FUND BALANCE	
Unassigned	125,186.43
Total Fund Balance	<u>125,186.43</u>
Total Liabilities and Fund Balance	<u><u>\$128,952.25</u></u>

ANTELOPE VALLEY STATE WATER CONTRACTORS

FY 2013/14 - Budget vs Actual
For the Twelve Months Ending 6/30/2014

	June Actual	YTD Actual	Budget	Variance
General Revenues:				
Contributions - Member Agency		\$18,000	\$18,000	
Miscellaneous Refund		3,551		3,551
Interest Earnings	3	50	100	(50)
Total General Revenue	\$3	\$21,601	\$18,100	(\$3,501)
General Expenditures:				
General Government				
Bank Fees		\$187		(\$187)
Insurance		2,183	2,350	167
Memberships		1,755	1,800	45
Outreach		788	750	(38)
Purchased Water				
Miscellaneous		182	500	318
Contract Services - Administration	2,735	11,985	10,000	(1,985)
Contract Services - Other		6,000	6,000	
Total General Expenditures	\$2,735	\$23,080	\$21,400	(\$1,680)
Program Revenues:				
Contributions - Member Programs (USGS & CASGEM)		\$89,400	\$89,400	
Contributions - Others (AVRWMAIG)			3,000	(3,000)
Grant Re-imbursment - IRWMP 2013 Update		54,715		54,715
Water Sales - Pilot In-Lieu Banking				
Total Program Revenue		\$144,115	\$92,400	(\$51,715)
Program Expenditures:				
Contract Services - USGS & CASGEM		\$62,050	\$95,045	\$32,995
Contract Services - AVIRWMP	1,031	1,031	3,000	1,969
Contract Services - IRWMP 2013 Update				
Total Program Expenditures	\$1,031	\$63,081	\$98,045	\$34,964

TRIAL BALANCE SUMMARY FOR 2014

AVSWCA
 General Ledger

Ranges: From: 7/1/2013
 Date: First
 Account: First

To: 6/30/2014
 Last

Sorted By: Fund
 Include: Posting, Inactive, Zero Balance/No Trx

Inactive Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1-00-1000-100	Wells Fargo - Basic Checking	\$9,141.06	\$218,781.10	\$221,622.08	(\$2,840.98)	\$6,300.08
1-00-1000-150	Wells Fargo - Advantage Checking	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-1050-100	Wells Fargo - High-Yield Savings	\$105,199.81	\$144,162.17	\$129,888.87	\$14,273.30	\$119,473.11
1-00-1050-150	Wells Fargo - Market Rate Savings	\$3,177.48	\$1.58	\$0.00	\$1.58	\$3,179.06
1-00-1500-000	Prepaid Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-1750-000	Accounts Receivable	\$8,580.00	\$107,400.00	\$115,980.00	(\$8,580.00)	\$0.00
1-00-2000-000	Accounts Payable	(\$80,466.47)	\$179,336.14	\$102,635.49	\$76,700.65	(\$3,765.82)
1-00-2500-000	Retained Earnings	(\$45,631.88)	\$0.00	\$0.00	\$0.00	(\$45,631.88)
1-00-3000-100	Contributions - AVEK Water Agency	\$0.00	\$0.00	\$6,000.00	(\$6,000.00)	(\$6,000.00)
1-00-3000-150	Contributions - Little Rock Creek Irrigation Dist.	\$0.00	\$0.00	\$6,000.00	(\$6,000.00)	(\$6,000.00)
1-00-3000-200	Contributions - Palmdale Water District	\$0.00	\$0.00	\$6,000.00	(\$6,000.00)	(\$6,000.00)
1-00-3100-100	Contributions - Others (AVRWMMG)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-3100-150	Contributions - Member (USGS & CASGEM Progra	\$0.00	\$0.00	\$89,400.00	(\$89,400.00)	(\$89,400.00)
1-00-3200-000	Water Sales (Pilot In-lieu of Banking)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-3300-100	Grant - IRWMP 2013 Update	\$0.00	\$0.00	\$54,714.84	(\$54,714.84)	(\$54,714.84)
1-00-3500-000	Interest Earnings	\$0.00	\$0.00	\$49.81	(\$49.81)	(\$49.81)
1-00-3600-100	Revenue - Refund/Misc	\$0.00	\$0.00	\$3,550.80	(\$3,550.80)	(\$3,550.80)
1-00-5000-000	Bank Fees	\$0.00	\$187.30	\$0.00	\$187.30	\$187.30
1-00-5100-000	Insurance Expense	\$0.00	\$2,183.00	\$0.00	\$2,183.00	\$2,183.00
1-00-5200-000	Memberships	\$0.00	\$1,755.00	\$0.00	\$1,755.00	\$1,755.00
1-00-5300-000	Outreach	\$0.00	\$788.00	\$0.00	\$788.00	\$788.00
1-00-6000-000	Purchased Water	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-7000-000	Miscellaneous Expense	\$0.00	\$181.77	\$0.00	\$181.77	\$181.77
1-00-8000-100	Contract Services - Administration	\$0.00	\$11,984.73	\$0.00	\$11,984.73	\$11,984.73
1-00-8000-150	Contract Services - USGS	\$0.00	\$62,050.00	\$0.00	\$62,050.00	\$62,050.00
1-00-8000-200	Contract Services - CASGEM	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-8000-250	Contract Services - AVRWMG	\$0.00	\$1,031.10	\$0.00	\$1,031.10	\$1,031.10
1-00-8000-300	Contract Services - IRWMP 2013 UPDATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-8000-900	Contract Services - General Projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1-00-8000-950	Contract Services - Miscellaneous	\$0.00	\$6,000.00	\$0.00	\$6,000.00	\$6,000.00
Grand Totals:		\$0.00	\$735,841.89	\$735,841.89	\$0.00	\$0.00

Accounts 30

Grand Totals: