AVSWCA
Antelope Valley State Water Contractors Association

August 6, 2026

AGENDA FOR THE REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION TO BE HELD AT ANTELOPE VALLEY-EAST KERN WATER AGENCY AT 6450 WEST AVENUE N, PALMDALE 93551

THURSDAY, AUGUST 13, 2026
6:00 p.m.

Teleconference: (669) 900-6833, Meeting ID 839 3795 7835 Passcode: 0
Video Conference: https://bit.ly/3Pizl3E

NOTICE: Pursuant to Government Code Section 54953, Subdivision (b), this Regular Meeting of the Commissioners will include teleconference participation by Commissioner Dyas from: 2856 Owens Way, Rosamond, CA 93560.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Association meeting please contact Trisha Guerrero at 661-456-1019 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 at 2029 East Avenue Q, Palmdale or at https://www.avswca.net/commissioner-meetings. Please call Trisha Guerrero at 661-456-1019 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 conduct its meeting will not be permitted and offenders will be requested to leave the meeting.

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

1) Pledge of Allegiance.

2) Roll Call.

3) Adoption of Agenda.

4) Public Comments for Non-Agenda Items.

5) Special Presentation – Golden Mussel Update.

   a) SWP Golden Mussel Infestation. (Manny Bahia – Infrastructure Manager, State Water Contractors)

   b) Local Golden Mussel Impacts. (Joe Marcinko – Operations Manager, Palmdale Water District)

6) Consideration and Possible Action on Minutes of Regular Meeting held June 11, 2026.

7) Ratification of Payment of Bills.

8) Payment of Bills.

9) Consideration and Possible Action on Accepting and Filing the Audit for the Year Ending June 30, 2025. (Controller Iguaran)

10) Littlerock Creek Recharge Project Update. (Assistant General Manager Chaisson)

11) Report on Water Resources and Activities. (Pam Clark, Palmdale Water District)

   a) WaterSMART Grant Opportunity.

12) Report of Controller.

   a) Update on Revenue, Expenses, and Change in Net Position.

   b) Update on Association Investment Options.

13) Report of General Manager.

   a) Status Updates:

      1) Amended and Restated Memorandum of Understanding with the Antelope Valley Regional Water Management Group.

      2) Antelope Valley Fair Water Conservation Gardens.

14) Reports of Commissioners.

15) Report of Attorney.

16) Commission Members' Requests for Future Agenda Items.

17) Consideration and Action on Scheduling the Next Association Meeting October 8, 2026.

18) Adjournment.

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, JUNE 11, 2026:

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, June 11, 2026, at 6450 West Avenue N, Palmdale, CA 93551, at 2856 Owens Way, Rosamond, CA 93560, and via teleconference. Vice Chair Van Dam called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance.

At the request of Vice-Chair Van Dam, AVEK Board Member Jay Tremblay led the Pledge of Allegiance.

2) Roll Call.

Attendance:
Gary Van Dam , Vice-Chair
Don Wilson, Secretary
Leo Thibault, Treasurer
Barbara Hogan, Commissioner
Keith Dyas, Commissioner

Others Present (In-person & via Zoom):
Tom Barnes, General Manager
James Chaisson, Assistant General Manager
Viridiana Iguaran, Controller
Paul Early, General Counsel
Jonathan Young, State Water Contractors
Matthew Knudson, AVEK General Manager
Angel Fitzpatrick, AVEK Executive Assistant
Trisha Guerrero, PWD Management Analyst
5 members of the public

EXCUSED ABSENCE --
Kathy Mac Laren-Gomez, Chair

3) Adoption of Agenda.

It was moved by Commissioner Hogan, seconded by Commissioner Wilson, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to adopt the agenda, as written:

Vice-Chair Van Dam – aye
Commissioner Hogan – aye
Commissioner Thibault – aye
Commissioner Dyas – aye
Commissioner Wilson – aye

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Special Presentation – State Water Project Energy Roadmap. (Jonathan Young, Energy Manager, State Water Contractors)

Mr. Jonathan Young, Energy Manager, of the State Water Contractors provided a detailed presentation of the Energy Roadmap, highlighting its necessity, mission, and challenges, and emphasizing commitments to carbon neutrality by 2035 and improved efficiency of State Water Project pumps and generators, followed by a brief discussion of energy rates.

6) Consideration and Possible Action on Minutes of Regular Meeting held April 9, 2026.

It was moved by Commissioner Thibault, seconded by Commissioner Wilson, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve the minutes of the Regular Meeting held on April 9, 2026, as written:

Vice-Chair Van Dam – aye
Commissioner Hogan – aye
Commissioner Thibault – aye
Commissioner Dyas – aye
Commissioner Wilson – aye

7) Payment of Bills.

It was moved by Commissioner Thibault, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve the payment of bills to AVEK for $5,000,000.00 in Department of Water Resources pass-through funds, to Woodard & Curran in the amount of $6,078.75 for services provided for the 2019 AVSWCA IRWM Plan Update and Funding Project, and to Palmdale Water District in the amounts of $2,087.24 for staff labor charges and $209.60 for cost associated with the AV Watermaster Engineering Tour of the Littlerock Creek Recharge Project:

Vice-Chair Van Dam – aye
Commissioner Hogan – aye
Commissioner Thibault – aye
Commissioner Dyas – aye
Commissioner Wilson – aye

8) Consideration and Possible Action on Approval of Resolution No. 2026-1 Resolution of the Commissioners of the Antelope Valley State Water Contractors Association Authorizing Completion and Submission of California Fair Political Practices Commission Biennial Notice Regarding the Conflict of Interest and Disclosure Code for the Antelope Valley State Water Contractors Association. (General Counsel Early)

General Counsel Early provided a brief overview of the California Political Practices Commission Biennial Notice requirement, and after he stated there were no changes to the Association's Conflict of Interest Code, it was moved by Commissioner Hogan, seconded by Commissioner Thibault and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve Resolution No. 2026-1 Resolution of the Commissioners of the Antelope Valley State Water Contractors Association Authorizing Completion and Submission of California Fair Political Practices Commission Biennial Notice Regarding the Conflict of Interest and Disclosure Code for the Antelope Valley State Water Contractors Association:

Vice-Chair Van Dam – aye
Commissioner Hogan – aye
Commissioner Thibault – aye
Commissioner Dyas – aye
Commissioner Wilson – aye

9) Consideration and Possible Action on Budgets for Fiscal Year 2026/2027. (Controller Iguaran)

Controller Iguaran provided a detailed overview of the proposed General Operating Budget and Restricted Funds Budget for the Littlerock Creek Joint Groundwater Recharge Program for Fiscal Year 2026/2027, and stated that the Restricted Funds for the USGS Groundwater Monitoring Program and Antelope Valley Integrated Regional Water Management Plan will be presented to the Board for approval at the end of the year, after which it was moved by Commissioner Thibault, seconded by Commissioner Hogan and unanimously carried by all members of the Board of Commissioners present at the meeting on the following roll call vote to approve the Budget for Fiscal Year 2026/2027:

Vice-Chair Van Dam – aye
Commissioner Hogan – aye
Commissioner Thibault – aye
Commissioner Dyas – aye
Commissioner Wilson – aye

10) Littlerock Creek Recharge Project Update. (Assistant General Manager Chaisson)

Assistant General Manager Chaisson provided a brief update on the Littlerock Creek Recharge Project and stated that the application for the Littlerock Creek Recharge Project Storage Agreement has been submitted to the Watermaster with a fee of $7,000.

General Manager Barnes clarified that the $7,000 amount is the estimated Watermaster Engineers' fee for the evaluation of the Association's water storage and recovery application which will be paid up front and presented for ratification at the next Association meeting.

11) Report of Controller.

a) Update on Revenue, Expenses, and Change in Net Position.

Controller Iguaran provided a brief update on the Association's revenue, expenses, and change in net position as of April 30, 2026, followed by a discussion on potential investment options for Association funds.

12) Report of General Manager.

a) Future Agenda Items.

General Manager Barnes stated that future agenda items include the approval and filing of the Association's audit, the renewal of the Memorandum of Understanding (MOU) with the Antelope Valley Regional Water Management Group (RWMG) which currently ends on January 1, 2027, and the preparation of an updated professional service agreement for Engineering & Integrated Regional Water Management Planning, and then stated that the topic for future presentations include an update on the Department of Water Resources Delta Conveyance Project, aqueduct subsidence, golden mussel invasion, the State Water Contractors 2026 Policy Platform, and State Water Project legislative efforts.

13) Reports of Commissioners.

There were no reports of commissioners.

14) Report of Attorney.

No Attorney was present at the meeting.

15) Commission Members' Request for Future Agenda Items.

There were no requests for future agenda items.

16) Consideration and Possible Action on Scheduling the Next Association Meeting on August 13, 2026.

It was determined that the next Regular Meeting of the Antelope Valley State Water Contractors Association will be held on August 13, 2026 at 6:00 p.m.

17) Adjournment.

With no further business to come before the Board of Commissioners, the Regular Meeting of the Antelope Valley State Water Contractors Association was adjourned at 7:11 p.m.

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Secretary

COMMISSION MEMORANDUM

DATE:	August 13, 2026
TO:	**AVSWCA COMMISSIONERS**
FROM:	Viri Iguaran, Controller
VIA:	Tom Barnes, General Manager
RE:	***CONSIDERATION AND POSSIBLE ACTION ON ACCEPTING AND FILING THE AUDIT FOR THE YEAR ENDING JUNE 30, 2025. (CONTROLLER IGUARAN)***

RECOMMENDATION:

Staff recommends accepting and filing the audit for the year ended June 30, 2025.

BACKGROUND:

The independent auditors have completed their review of the Antelope Valley State Water Contractors Association's financial statements for the fiscal years ending June 30, 2025, and 2024. The auditing firm Nigro & Nigro issued an unmodified opinion stating that the financial statements present fairly, in all material respects, the Association's financial position according to generally accepted accounting principles.

Key Highlights:

- Total **assets** were **$411,392** compared to $268,414 in 2024.
- **Cash:** Ending cash and cash equivalents increased slightly from $157,868 in 2024 to **$227,425**.
- Total **liabilities** were **$192,561** compared to $8,548 in 2024.
- **Revenues:** Member contributions and other revenues reduced from $160,073 to **$34,253**, due to the timing of revenue from AVRWMG.
- **Water Replacement Activity:** The Association facilitated replacement water purchases totaling $182,424, offset by identical revenues consistent with the Watermaster's assessment.
- **Net Change:** The Association experienced a net decrease in position of $41,035 in FY 2025, reducing overall the net position to **$218,831**.

Observations:

The completion of the annual independent audit demonstrates the Association's continued commitment to sound financial management and transparency. Staff recommends that the Commissioners accept the audited financial statements for the fiscal year ended June 30, 2025.

SUPPORTING DOCUMENTS:

- AVSWCA 2025 Financials

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

For the Fiscal Years Ended
June 30, 2025 and 2024

NIGRO & NIGRO PC

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
For the Fiscal Years Ended June 30, 2025 and 2024
Table of Contents

FINANCIAL SECTION

Financial Section

NIGRO & NIGRO PC
A Professional Accountancy Corporation

INDEPENDENT AUDITORS' REPORT

Governing Board
Antelope Valley State Water Contractors Association
Palmdale, California

Opinion

We have audited the accompanying financial statements of the Antelope Valley State Water Contractors Association (Association) as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2025 and 2024, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Jeff Nigro, CPA, CFE | Elizabeth Nigro, CPA | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Murrieta, California
August 3, 2026

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
Balance Sheets
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents (Note 2)	$ 227,425	$ 157,868
Accounts receivable	182,424	110,000
Prepaid items	1,543	546
Total assets	$ 411,392	$ 268,414
LIABILITIES		
Accounts payable	$ 192,561	$ 8,548
Total liabilities	192,561	8,548
NET POSITION		
Unrestricted	218,831	259,866
Total net position	218,831	259,866
Total liabilities and net position	$ 411,392	$ 268,414

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

Statements of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Operating revenues		
Member agency contributions	$ 34,253	$ 160,073
Contributions – other	38,310	35,710
Total operating revenues	72,563	195,783
Operating expenses		
Contracted services	106,551	124,781
General and administrative	7,215	6,280
Total operating expenses	113,766	131,061
Operating income(loss)	(41,203)	64,722
Non-operating revenues		
Investment earnings	168	67
Other revenue	-	134
Water replacement revenue (Note 3)	182,424	378,189
Water replacement expense (Note 3)	(182,424)	(378,189)
Total non-operating revenues	168	201
Change in net position	(41,035)	64,923
Net position		
Beginning of year	259,866	194,943
End of year	$ 218,831	$ 259,866

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash received from member agencies	$ 216,677	$ 538,396
Cash received from contributions – other	(216,538)	686,492
Cash payments for operating expenses	69,250	(1,221,039)
Net cash provided by (used in) operating activities	69,389	3,849
Cash flows from investing activities:		
Investment income	168	67
Net cash provided by investing activities	168	67
Net increase(decrease) in cash and cash equivalents	69,557	3,916
Cash and cash equivalents:		
Beginning of year	157,868	153,952
End of year	$ 227,425	$ 157,868
Reconciliation of operating income(loss) to net cash provided by (used in) operating activities:		
Operating loss	$ (41,203)	$ 64,722
Adjustments to reconcile operating income(loss) to net cash provided by (used in) operating activities:		
Other revenue	-	134
Water replacement revenue	182,424	378,189
Water replacement expense	(182,424)	(378,189)
(Increase) decrease in accounts receivable	(72,424)	1,028,971
(Increase) decrease in prepaid items	(997)	-
Increase (decrease) in accounts payable	184,013	(1,089,978)
Net cash provided by (used in) operating activities	$ 69,389	$ 3,849

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations of the Reporting Entity

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

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

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

Basis of Accounting and Measurement Focus

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

Financial Reporting

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

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

Cash and Cash Equivalents

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following:

Description	2025	2024
Demand deposits with financial institutions	$ 227,425	$ 157,868

Demand Deposits
At June 30, 2025 and 2024, the carrying amount of the Association's demand deposits were $227,425 and $157,868, respectively, and the financial institution's balance was $227,425 and $157,868, respectively. There are no outstanding checks, deposits-in-transit and/or other reconciling items.

NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

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

NOTE 3 – WATER REPLACEMENT ASSESSMENT

In accordance with the agreement dated October 23, 2019, the Antelope Valley Watermaster (Watermaster) is required to impose a Replacement Water Assessment (RWA) fee on groundwater production on parties in excess of any party's right to produce groundwater. On December 10, 2024, the Watermaster has assessed an RWA and collected funds from the parties for 310.98 AF of Replacement Water which is to be provided by the Association. The Watermaster passed through payments from the parties to the Association in the amount of $182,424. The Association in turn purchased the required replacement water from Antelope Valley East Kern Water Agency, Palmdale Water District and Littlerock Creek Irrigation District for $169,354, $12,885, and $185, respectively, for a total of $182,424 for the year ended June 30, 2025.

NOTE 4 – RISK MANAGEMENT

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

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases
The Association does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12-months (or less), including any options to extend, regardless of their probability of being exercised.

Also, d*e minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

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

NOTE 6 – SUBSEQUENT EVENTS

The Association has evaluated subsequent events through August 3, 2026, the date which the financial statements were available to be issued.

COMMISSION MEMORANDUM

DATE:	August 13, 2026
TO:	**AVSWCA COMMISSIONERS**
FROM:	Viri Iguaran, Controller
VIA:	Tom Barnes, General Manager
RE:	***UPDATE ON REVENUE, EXPENSES, AND CHANGE IN NET POSITION.***

The following are the key highlights of the Association's financials as of June 30, 2026.

Balance Sheet:

The Association's total assets as of June 30, 2026 were $1,109,384.39 consisting of cash in the amount of $1,100,777.51 mostly due to the DWR Grant Reimbursement pass-through and $327,697.25 received from AV Watermaster from replacement water, which will also be pass-through the 2 of the 3 member agencies. Prepaid Insurance and expense totaled $8,606.88.

Total liabilities as of June 30, 2026, were $919,663.06 consisting of all the payables presented at today's meeting.

The total fund balance as of the end of June was $189,721.33, though we do expect this to change based on pending grant accruals and expenses in the next month.

Profit & Loss Statement:

The Profit and Loss Statement reflect all financial activity in June, with a comparison of year-to-date totals.

In June, the Association received $7,627.90 in grant reimbursement from DWR, $327,697.25 in replacement water assessments, and earned $89.61 in interest earnings. Total revenue through June was $406,878.67.

In expenditures, there was $42.50 in bank fees, $209.60 in outreach, and $327,697.25 back to 2 member agencies for replacement water, and $3,475.45 for administration services. Total expenses for the year were $435,998.53 which is expected to change if additional accruals are booked in the next month.

The Association's fund balance/retained earnings through June were $189,721.33.

ANTELOPE VALLEY STATE WATER CONTRACTORS

Balance Sheet

as of April 30, 2026

6/30/2026			**Jun**
Assets:			
Cash - General Fund	1-00-1100-100	Citizens - General Account	978,749.39
Restricted - AVRWMG	1-00-1100-200	Citizens - AVIRWMG Account	122,028.12
Accounts Receivable	1-00-1750-000	Accounts Receivable	-
Prepaid Insurance	1-00-1500-000	Prepaid Insurance	724.88
Prepaid Expense	1-00-1600-000	Prepaid Expense	7,882.00
		Total Assets	**$1,109,384.39**
Liabilities:			
Accounts Payable	1-00-2000-000	Accounts Payable	(919,663.06)
Pass-Thrugh Grant Funding	1-00-2050-000	Pass-Through Grant Funding	-
Due to Other	1-00-2100-000	Due to Other	-
		Total Liabilities	**(919,663.06)**
Fund Balance			
Unassigned			(189,721.33)
Total Fund Balance			**(189,721.33)**
Total Liabilities and Fund Balance			**($1,109,384.39)**

ANTELOPE VALLEY STATE WATER CONTRACTORS

Profit Loss

as of June 30, 2026

6/30/2026			**June**	**YTD**
Revenues:				
Contributions - Member Agency				(30,000.00)
	1-00-3000-100	Contributions - AVEK Water Agency	-	
	1-00-3000-150	Contributions - Littlerock Creek Irrigation Dist.	-	
	1-00-3000-200	Contributions - Palmdale Water District	-	
Contributions - Member Programs (USGS & CASGEM)	1-00-3100-150	Contributions - Member (USGS & CASGEM Program)	-	(38,208.00)
Contributions - Member Programs (Financial Analysis PSA)	1-00-3100-250	Contributions - Member (Financial Analysis PSA)	-	-
Contributions - Member Programs (Big Rock Creek)	1-00-3100-350	Contributions - Member (Big Rock Creek)	-	-
Contributions - Member Programs (AV Fair-Conservation Garden)	1-00-3100-450	Contributions - Member (AV Fair Conserv Garden)	-	-
Contributions - Non-Member Programs (USGS)	1-00-3100-200	Contributions - Non Member (USGS & CASGEM Program)	-	-
Contributions - Others (AVRWMG)	1-00-3100-100	Contributions - Others (AVRWMG)	-	-
Contributions - Others (DACI)	1-00-3100-125	Contribution - Others (IRWMP - DACI)	-	-
Grant Re-imbursement - IRWMP Update	1-00-3300-100	Grant - IRWMP Update	(7,627.90)	(10,580.40)
			-	
Water Sales - Replacement Water Assessments	1-00-3200-000	Water Sales (Pilot In-lieu of Banking)	(327,697.25)	(327,697.25)
Miscellaneous Refund	1-00-3600-100	Revenue - Refund/Misc	-	-
Interest Earnings	1-00-3500-000	Interest Earnings	(89.61)	(393.02)
		Total Revenue	**(335,414.76)**	**(406,878.67)**
Expenditures:				
General Government				
Bank Fees	1-00-5000-000	Bank Fees	42.50	400.63
	1-00-5000-100	Bank Fraud	-	-
Insurance	1-00-5100-000	Insurance Expense	-	2,093.40
Memberships	1-00-5200-000	Memberships	-	3,690.00
Outreach	1-00-5300-000	Outreach	209.60	650.60
Purchased Water	1-00-6000-000	Purchased Water	327,697.25	327,697.25
Miscellaneous	1-00-7000-000	Miscellaneous Expense	-	-
Public Resource				
Contract Services - Administration	1-00-8000-100	Contract Services - Administration	3,475.45	12,038.93
Contract Services - USGS & CASGEM	1-00-8000-150	Contract Services - USGS	-	57,311.25
	1-00-8000-200	Contract Services - CASGEM	-	-
Contract Services - AVRWMG	1-00-8000-250	Contract Services - AVRWMG	-	-
Contract Services - IRWMP Update	1-00-8000-300	Contract Services - IRWMP UPDATE	-	19,691.25
Contract Services - DACI	1-00-8000-325	Contract Services - IRWMP DACI	-	-
Contract Services - BIG ROCK CREEK	1-00-8000-350	Contract Services - BIG ROCK CREEK	-	-
Contract Services - FINANCIAL ANALYSIS	1-00-8000-400	Contract Services - FINANCIAL ANALYSIS	-	-
Contract Services - General Projects	1-00-8000-900	Contract Services - General Projects	-	9,382.22
Contract Services - AV Fair Conservation Garden	1-00-8000-910	Contract Services - AV Fair Conservation Garden	-	-
Contract Services - Home Show/WaterSmart Expo	1-00-8000-920	Contract Services - Home Show/Watersmart Expo	-	-
Contract Services - Rural Museum	1-00-8000-930	Contract Services - Rural Museum	-	-
Contract Services - Other	1-00-8000-950	Contract Services - Miscellaneous	-	3,033.00
		Total Expenditures	**331,424.80**	**435,988.53**
Change in Net Position			(3,989.96)	29,109.86
Net Position - Beginning of Year	1-00-2500-000	Retained Earnings		(218,831.19)
Net Position - End of Year				(189,721.33)

Investments for AVSWCA

Considerations

The Association will need to establish an Investment Policy that complies with California investment laws and provides clear guidance to staff on the management and investment of Association funds.

A formal Investment Policy will define authorized investment instruments, establish investment limits, and outline prudent investment practices to ensure the Association's funds remain safe, liquid, and available to meet operational and capital needs while maximizing investment returns within an acceptable level of risk.

Investments for AVSWCA

Possible Investment Options

Feature	Local Agency Investment Fund (LAIF)	California CLASS	California Asset Management Program (CAMP)
Administrator	California State Treasurer's Office	Public agency investment pool created for California local agencies	Joint Powers Authority investment pool for California public agencies
Investment Management	Managed by the State Treasurer's Office through the Pooled Money Investment Account (PMIA)	Managed by professional investment managers specializing in public funds	Managed by professional investment managers through the CAMP program
Safety	Very high; backed by the State's investment program and diversified portfolio	High; investments comply with California Government Code requirements	High; investments comply with California Government Code requirements
Liquidity	Daily deposits and withdrawals ($75m cap & 15 transactions per month limit)	Daily liquidity for Prime Fund; Enhanced Cash Fund provides higher yield with longer investment horizon	Daily liquidity through CAMP Cash Reserve Portfolio
Investment Options	Primarily one pooled investment option	Prime Fund and Enhanced Cash Fund options	Cash Reserve Portfolio and CAMP Term options
Fees	No direct management fee; administrative costs deducted from earnings (about 5%)	Up to approximately **0.15% annually** (15 basis points), deducted from earnings	Approximately **0.075%–0.150% annually** depending on assets and portfolio
Yield Potential	Typically competitive but may be lower than some privately managed pools depending on market conditions	Designed to provide competitive yields while maintaining liquidity	Designed to provide competitive yields with professional management
Access / Oversight	Managed by State Treasurer; subject to State investment policies	Governed by program documents and investment policy requirements	Governed by Joint Powers Authority structure and investment policy requirements
Best Use Case	Operating reserves, emergency funds, and highly liquid cash	Agencies looking for flexibility and potentially enhanced yield options	Agencies seeking professional management and diversified investment options

AVSWCA
Antelope Valley State Water Contractors Association

ITEM NO. X