



**FENNER VALLEY
WATER AUTHORITY**

**AGENDA
FENNER VALLEY WATER AUTHORITY
BOARD OF DIRECTORS' MEETING
SANTA MARGARITA WATER DISTRICT BOARDROOM
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688**

April 25, 2024 9:30 AM

Telephone Audio: +1 323-553-2644 fees may apply

Telephone Audio ID: 913 828 215#

<https://tinyurl.com/45wrbsuk>

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Microsoft Teams and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Kelly Radvansky, at (949) 459-6642 at least 48 hours before the meeting if possible.

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Authority's business office located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688, during regular business hours. All documents available for public review are on file with the Authority's Secretary located at 26111 Antonio Parkway, Rancho Santa Margarita, California 92688.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. PUBLIC FORUM**

Persons wishing to address the Board of Directors on non-agenda items will have three minutes to speak. For items on the agenda, an opportunity to speak during that item will be provided. Those attending the meeting in-person are requested to submit a "Request To Be Heard" form to the Recording Secretary.

4. **CONSENT CALENDAR**

- 4.1 Consideration and Action on the Minutes of the February 29, 2024 Board Meeting
Page 3

Recommendation: Approve the Minutes.

5. **FINANCIAL ITEMS**

- 5.1 Financial Statements as of March 31, 2024 **Page 6**

- 5.2 Consideration and Action on Proposed Revision to Fenner Valley Water Authority's Fiscal Year 2023-2024 Operating Budget for Administrative Services
Page 11

Recommendation: Increase the Administrative Services budget by \$20,000 to a total of \$60,000 and reduce the Professional Services - Other budget for projects in a like amount from \$460,000 to \$440,000.

- 5.3 Consideration and Action on Fenner Valley Water Authority's Fiscal Year 2024-2025 Operating Budget **Page 13**

Recommendation: Approve the FY 2025 Operating Budget in the amount of \$887,500.

6. **ACTION ITEMS**

- 6.1 Consideration and Action on Adopting Resolution No. 24-05-01; Authorizing the U.S. Bureau of Reclamation's WaterSmart Planning and Project Design Grant Program Application, Acceptance and Execution for the Cadiz Northern Conveyance System Planning and Design Project **Page 16**

Recommendation: Approve Resolution No. 24-05-01.

7. **INFORMATION ITEMS**

- 7.1 Executive Director Report (verbal or written reports may be provided and shall be included in the record/minutes) **Page 20**

- 7.2 Directors' Reports of Outside or Other Meeting/Events (verbal or written reports may be provided and shall be included in the record/minutes)

8. **ATTORNEY'S REPORT**

9. **ADJOURNMENT**

The next Regular Board of Directors' Meeting scheduled for May 30, 2024, at 9:30 a.m., is anticipated to be cancelled. Should a meeting be required prior to the regularly scheduled meeting in June, the meeting will be noticed in compliance with the Brown Act.



**FENNER VALLEY
WATER AUTHORITY**

**MINUTES
FENNER VALLEY WATER AUTHORITY
BOARD OF DIRECTORS' MEETING
SANTA MARGARITA WATER DISTRICT BOARDROOM
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688
February 29, 2024 9:30 AM
Telephone Audio: +1 323-553-2644 fees may apply
Telephone Audio ID: 592 962 653#
<http://tinyurl.com/2s43krwy>**

ATTENDEES

Frank Ury	Chair
Saundra Jacobs	Vice Chair
Natasha Raykhman	Director
Curt Hagman	Ex-Officio Board Member - Remote
Don Bunts	Executive Director
Dan Ferons	Project Advisor to the Board/SMWD
Erica Castillo	Treasurer
Christine McIlrevey	Controller/SMWD
Kelly Radvansky	Secretary
Stephanie Avila	Administrative Assistant/SMWD
Isra Shah	Best Best & Krieger
Michelle Lewis	Plante Moran
Roger Butow	Clean Water Now

1. CALL TO ORDER

Chairman Ury called the meeting to order at 9:30 a.m.

2. PLEDGE OF ALLEGIANCE

Erica Castillo, Treasurer, led the Pledge of Allegiance.

3. PUBLIC FORUM

There were no requests to speak.

4. **CONSENT CALENDAR**

- 4.1 Consideration and Action on the Minutes of the January 25, 2024, Board Meeting

Recommendation: Approve the Minutes.

Motion: Approve as recommended.

Moved by: Saundra Jacobs

Seconded by: Frank Ury

Ayes: Jacobs, Raykhman, Ury

Unanimously approved

5. **ACTION ITEMS**

- 5.1 Consideration and Action on Professional Services Contract for Environmental Documentation for the Northern Pipeline Project

Recommendation:

1) Find it is appropriate to request a sole-source contract from ESA.

2) Authorize the Executive Director to execute a professional services contract in the amount of \$159,911 with ESA.

Motion: Approve as recommended.

Moved by: Saundra Jacobs

Seconded by: Frank Ury

Ayes: Jacobs, Raykhman, Ury

Unanimously approved

- 5.2 Consideration and Action on Resolution No. 24-02-01; Resolution of the Board of Directors of Fenner Valley Water Authority Approving the Amended Fenner Valley Water Authority Policy Handbook

Recommendation: Adopt Resolution No. 24-02-01; Approving the Fenner Valley Water Authority Amended Policy Handbook.

Motion: Approve as recommended.

Moved by: Frank Ury

Seconded by: Saundra Jacobs

Ayes: Jacobs, Raykhman, Ury

Unanimously approved

INFORMATION ITEMS

- 6.1 Update on United States Bureau of Reclamation's WaterSMART – Drought Response Program

Don Bunts, Executive Director, explained the importance of having a Title 16 report in place for project grant funding.

- 6.2 Executive Director Report (verbal or written reports may be provided and shall be included in the record/minutes)

Don Bunts, Executive Director, reported that both Fontana Water Company and Golden State Water Company have signed agreements for 5000 Acre-Feet of water from the Northern Pipeline; and the Technical Review Panel (TRP) met with GeoScience to review comments the TRP had on the Groundwater Management, Monitoring and Mitigation Plan.

- 6.3 Directors' Reports of Outside or Other Meeting/Events (verbal or written reports may be provided and shall be included in the record/minutes)

There were no reports.

6. **ATTORNEY'S REPORT**

There was no report.

7. **ADJOURNMENT**

The meeting adjourned at 9:52 a.m.

The next Regular Board of Directors' Meeting is scheduled for March 28, 2024, at 9:30 a.m.



FENNER VALLEY WATER AUTHORITY

MEMORANDUM

TO: Board of Directors **DATE:** April 25, 2024

FROM: Plante Moran, Accounting Consultant
Christine McIlrevey, SMWD Controller

SUBJECT: Financial Statements as of March 31, 2024

FINANCIAL SUMMARY HIGHLIGHTS

For the reporting period ended March 31, 2024, the total expenses incurred to date are \$132,733 which is approximately 16.6% of the annual budget.

Activity in the third quarter of Fiscal Year 2024 was comprised of the following:

- Administrative, Accounting, Legal, Consulting and TRP expenses were accrued or paid.
- A new contract was initiated with Soto Resources for grant consulting.
- The Revenue and Expenditure Report reflects the budget amendment approved at the January 25, 2024, Board Meeting. The legal budget increased by \$40,000 and the Professional Services Other budget decreased by \$40,000, with a net effect of zero.

On the following two pages are the Authority's Balance Sheet and Income Statement (revenue and expenditure report) for the period ended March 31, 2024. These financial statements have not been subject to an audit, review or compilation engagement, and no assurance is provided on them.

Board of Directors

April 25, 2024

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Fenner Valley Water Authority
COMPARATIVE BALANCE SHEET
As of March 31, 2024

	PERIOD ENDED 6/30/2023	PERIOD ENDED 3/31/2024	CHANGE Period Diff	% CHANGE Period % Var
Assets				
Bank Accounts				
1100000 - Cash	\$ 16,486.51	\$ 50,501.38	\$ 34,014.87	206.31 %
Total Bank Accounts	16,486.51	50,501.38	34,014.87	206.31 %
Other Current Assets				
1240901 - Due from Cadiz	105,000.00	0.00	(105,000.00)	(100.00) %
1301100 - Prepaid Expense	502.78	629.87	127.09	25.27 %
Total Other Current Assets	105,502.78	629.87	(104,872.91)	(99.40) %
Total Assets	121,989.29	51,131.25	(70,858.04)	(58.08) %
Liabilities and Equity				
Liabilities				
Accounts Payable				
2000000 - Accounts Payable	20,693.85	22,339.60	1,645.75	7.95 %
2000001 - Manual Accounts Payable	2,223.00	0.00	(2,223.00)	(100.00) %
Total Accounts Payable	22,916.85	22,339.60	(577.25)	(2.51) %
Other Current Liabilities				
2019001 - Due to SMWD	27,551.74	0.00	(27,551.74)	(100.00) %
Total Other Current Liabilities	27,551.74	0.00	(27,551.74)	(100.00) %
Total Liabilities	50,468.59	22,339.60	(28,128.99)	(55.73) %
Equity				
Fund Balance				
3902000 - Unrestricted	1,860.33	71,520.70	69,660.37	3,744.51 %
Total Fund Balance	1,860.33	71,520.70	69,660.37	3,744.51 %
Net Revenue	69,660.37	(42,729.05)	(112,389.42)	(161.34) %
Total Equity	71,520.70	28,791.65	(42,729.05)	(59.74) %
Total Liabilities and Equity	\$ 121,989.29	\$ 51,131.25	\$ (70,858.04)	(58.09) %

Fenner Valley Water Authority
REVENUE AND EXPENDITURE REPORT
As of March 31, 2024

	Year Ended 6/30/2023	Year Ending 6/30/2024	Year To Date 3/31/2024	
	END BALANCE	AMENDED BUDGET	YTD BALANCE	% BUDGET
Revenue				
4150600 - Bank Interest Income	\$ 2.34	\$ 0.00	\$ 4.13	0.00%
4172503 - Miscellaneous Revenue - Other Operating Revenue Cadiz	177,279.00	0.00	90,000.00	0.00%
Total Revenues	177,281.34	0.00	90,004.13	0.00%
Expenditures				
Operating				
5308300 - Insurance	3,016.65	5,000.00	3,652.15	73.04%
5340410 - Accounting Services	12,970.00	20,000.00	17,670.00	88.35%
5340420 - Administrative Services	33,384.57	40,000.00	38,724.47	96.81%
5340440 - Auditing Services	14,109.20	14,000.00	6,510.86	46.51%
5340490 - Information Technology	0.00	1,000.00	0.00	0.00%
5340510 - Legal - Attorney Fees	15,397.30	80,000.00	38,723.20	48.40%
5340570 - Consultant and Professional Services - TRP	0.00	180,000.00	24,072.00	13.37%
5340580 - Consultant and Professional Services - External - Other	28,693.25	460,000.00	3,380.50	0.73%
5390900 - Other Items of Expense - Bank Fees Service Charges	50.00	500.00	0.00	0.00%
5390901 - Other Items of Expense - Miscellaneous	0.00	500.00	0.00	0.00%
Total Operating	107,620.97	801,000.00	132,733.18	16.57%
Total Expenditures	107,620.97	801,000.00	132,733.18	16.57%
Revenue in Excess of Expenses	\$ 69,660.37	\$ (801,000.00)	\$ (42,729.05)	5.33 %

Projects

Three contracts were issued by the Authority for a Technical Review Panel (TRP) whose purpose is to review and analyze data, prepare reports, and provide technical advising. The life-to-date expenditures and remaining contract balances for the TRP members are listed below.

Bondy Groundwater Consulting, Inc.				
Project #093 TRP				
Original Contract Amount:	\$	52,500.00	Contract dated 4/25/2023	
Date	Amount	Payment Reference	Description	
FY 2023				
5/31/2023	\$ 2,812.50	EFT 6/7/2023	Inv 093-01, dated 6/1/23 - May meetings, preliminary review	
6/30/2023	5,062.50	EFT 7/7/2023	Inv 093-02, dated 7/1/23 - June meetings and reviews	
Total Expenses FY 2023	7,875.00			
FY 2024				
7/31/2023	1,062.50	EFT 8/14/2023	Inv 093-03, dated 8/1/23 - July meetings, comment table - GMMMP and Three Valleys	
8/31/2023	1,187.50	EFT 9/18/2023	Inv 093-04, dated 9/1/23 - Aug meetings, comment table - GMMMP and Three Valleys	
9/30/2023	687.50	EFT 10/31/2023	Inv 093-05, dated 10/1/23 - Sept meeting, review Geoscience responses to TRP inquiry	
10/31/2023	187.50	EFT 11/30/2023	Inv 093-06, dated 11/1/2023 - October meeting, misc.	
11/30/2023	1,000.00	EFT 1/3/2024	Inv 093-07, dated 12/1/2023 - November meeting, misc.	
1/31/2024	500.00	EFT 2/6/2024	Inv 093-08, dated 2/1/2024 - January meeting, draft TRP consensus points, misc.	
11/30/2023	312.50	EFT 3/18/2024	Inv 093-09, dated 3/1/2024 - February meeting, review/comment on inquiry, misc.	
Total Expenses FY 2024	4,937.50			
Cumulative Total Expenses	\$ 12,812.50			
Remaining Contract Balance	\$ 39,687.50			

San Bernardino County (Representative - Will Halligan)				
Project 231001 Cadiz Project TRP				
Original Contract Amount:	\$	60,000.00	Board Approved Budget 5/25/2023	
Date	Amount	Payment Reference	Description	
FY 2023				
5/31/2023	\$ 2,095.25	Check #71911110	Inv 2023-01, dated 6/7/23 - January/February interviews, calls, analysis of existing data	
6/30/2023	1,296.75	Check #73322002	Accrued at June 30 for March-June 2023 expenses; Invoice 2023-03	
8/16/2023	926.25	Check #73159247	Inv 2023-02, dated 8/16/23 - March/April/May analysis of existing data	
Total Expenses FY 2023	\$ 4,318.25			
FY 2024				
10/25/2023	2,346.50	Check #74671485	Inv 2023-04, dated 10/25/2023 - July analysis of existing data	
11/27/2023	3,519.75	Check #75262161	Inv 2023-05, dated 11/27/2023 - Analysis of existing data through August 27, 2023	
1/25/2024	2,284.75	Check #76544060	Inv 2023-06, dated 1/25/2024 - Analysis of existing data through Sept. 24 and Oct. 29, 2023	
3/11/2024	1,358.50	Accounts Payable	Inv. 2023-07, dated 3/11/2024 - Analysis of existing data through November 30, 2023	
Total Expenses FY 2024	\$ 9,509.50			
Cumulative Total Expenses	\$ 13,827.75			
Remaining Contract Balance	\$ 46,172.25			

Santa Margarita Water District (Representative - Intera, Inc.)				
Project SAMWD.C002.CADIZ				
Original Contract Amount:	\$	60,000.00	Board Approved Budget 5/25/2023	
Date	Amount	Payment Reference	Description	
FY 2023				
6/30/2023	\$ 12,125.00	Check #72690120	Inv 12430 - Professional Services through May 2023	
6/30/2023	4,375.00	Check #72690120	Inv 12442 - June 2023 Professional Services	
Total Expenses FY 2023		16,500.00		
FY 2024				
9/30/2023	6,750.00	Check #74125102	Inv 12577 - July 2023 and August 2023 Professional Services	
12/31/2023	2,500.00	Check #75517989	Inv 12718 SMWD - October-December 2023 expenses	
3/31/2024	375.00	Accounts Payable	Intera Inv #02-24-205/Invoice 12854 SMWD - Professional Services	
Total Expenses FY 2024		9,625.00		
Cumulative Total Expenses		\$ 26,125.00		
Remaining Contract Balance		\$ 33,875.00		

A contract was issued by the Authority to Soto Resources in March 2024 for grant services to assist with securing grant funding from the United States Department of the Interior, Bureau of Reclamation WaterSMART program for the Cadiz project. The life-to-date expenditures and remaining contract balance for this contract is listed below.

SOTO Resources				
Grant Assistance for US Bureau of Reclamation WaterSMART Program				
Original Contract Amount:	\$	24,940.00	Contract Period 2/29/2024-2/28/2025	
Date	Amount	Payment Reference	Description	
FY 2024				
3/31/2024	3,380.50	Accounts Payable	Inv 2024-FVWA-CAD-MAR-01, dated 4/1/2024 - grant application and review, meetings	
Total Expenses FY 2024		3,380.50		
Cumulative Total Expenses		\$ 3,380.50		
Remaining Contract Balance		\$ 21,559.50		



FENNER VALLEY WATER AUTHORITY

MEMORANDUM

TO: Board of Directors **DATE:** April 25, 2024

FROM: Don Bunts, Executive Director
Christine Mellrevey, SMWD Controller

SUBJECT: Consideration and Action on Proposed Revision to Fenner Valley Water Authority's Fiscal Year 2023-2024 Operating Budget for Administrative Services

SUMMARY

Issue: Through the first nine months of the fiscal year, the Authority has expended 97 percent of the \$40,000 administrative fees budget, leaving approximately \$1,300 for the remainder of the fiscal year. Through March 2024, Santa Margarita Water District's (SMWD) executive team spent higher than anticipated time managing the Authority due to an increase in activity with additional contracts, agreements, and policy updates.

For the remainder of the fiscal year, SMWD anticipates additional time required for contract management, development of a Facility Operation Agreement with the Fenner Gap Mutual Water Company, and an agreement with Cadiz concerning proposed facilities for the delivery of water through the Northern Pipeline. The proposal is to increase the Administrative Services budget to \$60,000.

Recommendation: Increase the Administrative Services budget by \$20,000 to a total of \$60,000 and reduce the Professional Services - Other budget for projects in a like amount from \$460,000 to \$440,000.

Fiscal Impact: Funding is proposed to be provided by Cadiz, Inc. per the Joinder Agreement. The total budget is not impacted by the proposed change.

DISCUSSION

The Authority is an independent agency and SMWD as the Managing Member is responsible for preparation of an annual budget under Article 12 of the Joint Exercise of Powers Agreement and the Administrative Services Agreement. The Authority's original budget for Fiscal Year (FY) 2024 was approved by the Board on May 25, 2023. At the January 2024 Board Meeting, the Board approved increasing the FY 2024 legal fees budget by \$40,000, with an offsetting decrease to the

Professional Services – Other budget to provide for the projected need to develop agreements related to the next phase of the project.

The Administrative Services budget includes reimbursement expenses to SMWD for time spent by its executive team managing the Authority and its proposed contracts. This is on a time and material basis and includes the Executive Director, Treasurer and Secretary, as well as Engineering and other District support. The original budget for FY 2024 is \$40,000. The Authority is proposing an increase of \$20,000 to the original budget as it anticipates additional activity in the fourth quarter managing contracts and agreements related to the next phase of the project.

The Authority proposes reducing the Professional Services - Other budget by \$20,000 as the remaining budget for Professional Services – Other is not anticipated to be fully used by the end of the fiscal year. By reducing the Professional Services – Other budget, the total FY 2024 budget of the Authority would remain unchanged at \$801,000.

The table below reflects the Authority’s Fiscal Year 2024 Proposed Budget Revision.

**Fenner Valley Water Authority
Proposed Fiscal Year 2023-2024 Operating Budget**

Description	FY 2024 Amended Budget	FY 2024 Proposed Budget Revision
Insurance	\$5,000	\$5,000
Accounting Services	\$20,000	\$20,000
Administrative Services	\$40,000	\$60,000
Auditing Services	\$14,000	\$14,000
Information Technology	\$1,000	\$1,000
Legal Fees*	\$80,000	\$80,000
Professional Service – TRP	\$180,000	\$180,000
Professional Services – Other*	\$460,000	\$440,000
Other Expense Items	\$500	\$500
Other Misc. Expense Items	\$500	\$500
Total Expenses	\$801,000	\$801,000

* Budget was amended at the January 25, 2024, Board Meeting.



FENNER VALLEY WATER AUTHORITY

MEMORANDUM

TO: Board of Directors **DATE:** April 25, 2024

FROM: Don Bunts, Executive Director
Christine Mellrevey, SMWD Controller

SUBJECT: Consideration and Action on Fenner Valley Water Authority's Fiscal Year 2024-2025 Operating Budget

SUMMARY

Issue: Fenner Valley Water Authority (Authority) is presenting its annual Operating Budget for Fiscal Year 2024-2025 (FY 2025). The budget is based on estimated activity including financial services and potential engineering services. The Proposed FY 2025 Budget projects operating expenses, which conforms to the Authority's goals and objectives as defined in its Joint Exercise of Powers Agreement.

Recommendation: Approve the FY 2025 Operating Budget in the amount of \$887,500.

Fiscal Impact: Funding is proposed to be provided by Cadiz, Inc. per the Joinder Agreement initially and then through the revenue generated by water sales.

DISCUSSION

The Authority is an independent agency and Santa Margarita Water District (SMWD) as the Managing Member is responsible for preparation of an annual budget under Article 12 of the Joint Exercise of Powers Agreement and the Administrative Services Agreement.

The budgeted expenses, prepared by SMWD, for the upcoming year are anticipated to include the following items:

Insurance: Annual insurance premium for Board of Directors and executives for errors and omissions coverage. When facilities are constructed and dedicated to the Authority, we will have increased costs to insure those assets. The proposed budget is \$6,000.

Accounting Services: Annual accounting services provided by Plante Moran on behalf of the Authority. Plante Moran's contract is on a time and material basis. The budget for accounting services is \$25,000. In FY 2025, we anticipate more activity as they will be keeping track of approved contracts and agreements and amounts spent against them.

Administrative Services: Reimbursement to SMWD for time spent by its executive team managing the Authority and its proposed contracts. This is on a time and material basis and includes the Executive Director, Treasurer and Secretary, as well as Engineering and other SMWD support. The budget is \$120,000. In FY 2025, we anticipate greater activity and therefore greater costs in administration as provided by SMWD.

Audit Services: As a municipal Joint Powers Authority, the Authority is required to conduct an annual audit. This audit also ensures public transparency and assurance the financial statements accurately represent the state of the Authority. This is the last year of a five-year audit contract. Next fiscal year, the Authority will be issuing a Request for Proposals for future audit services. The FY 2025 proposed budget for the independent auditor is \$14,000, which covers the current board-approved contract for audit services of \$13,696.

Legal – Attorney Fees: General Counsel services provided by Best Best and Krieger, are required for the Authority along with special services for development of the Facility Operation Agreement with the Fenner Valley Mutual Water Company. Based on the projected activity level, the proposed budget is \$140,000.

Professional Services - TRP: The Authority formed a Technical Review Panel (TRP) in 2023 for ongoing work efforts under the Groundwater Management, Monitoring and Mitigation Plan. The TRP consists of three members, one each hired by the County, SMWD and the Authority. The proposed Professional Services – TRP budget for FY 2025, which includes continued funding for these three members, is \$120,000.

Professional Services - Other: The Authority is proposing to initiate planning, design, environmental and construction services, and other potential work efforts to review project preliminary design elements and technical studies. Financial planning services are also anticipated in FY 2025 along with grant services provided by Soto Resources to secure project funding from the United States Bureau of Reclamation. The proposed Professional Services – Other budget, which includes funding for these services is \$460,000.

Other Expense Items: This budget item covers other expenses such as banking and service fees for the Authority's bank account, office supplies, business cards for the Board of Directors and Executive team, and website fees. The budget line items for Information Technology and Other Misc. Expense Items were consolidated into this line item. The proposed Other Expense Items budget is \$2,500.

The table on the following page reflects the Authority's Fiscal Year 2025 Proposed Budget.

**Fenner Valley Water Authority
 Proposed Fiscal Year 2024-2025 Operating Budget**

Description	FY 2024 Amended Budget	FY 2024 Activity Thru 3/31/24	FY 2025 Proposed Budget
Insurance	\$5,000	\$3,652	\$6,000
Accounting Services	\$20,000	\$17,670	\$25,000
Administrative Services	\$40,000	\$38,724	\$120,000
Auditing Services	\$14,000	\$6,511	\$14,000
Information Technology	\$1,000	\$0	\$0
Legal Fees *	\$80,000	\$38,723	\$140,000
Professional Service - TRP	\$180,000	\$24,072	\$120,000
Professional Services – Other *	\$460,000	\$3,381	\$460,000
Other Expense Items	\$500	\$0	\$2,500
Other Misc. Expense Items	\$500	\$0	\$0
Total Operating Expenses	\$801,000	\$132,733	\$887,500

* Budget was amended at the January 25, 2024 Board Meeting.

The Authority invoices Cadiz, Inc. quarterly, based on upcoming cash flow needs balanced with the current available cash to pay upcoming expenses.



MEMORANDUM

TO: Board of Directors **DATE:** April 25, 2024

FROM: Don Bunts, Executive Director

SUBJECT: Consideration and Action on Adopting Resolution No. 24-04-01; Authorizing the U.S. Bureau of Reclamation's WaterSmart Planning and Project Design Grant Program Application, Acceptance and Execution for the Cadiz Northern Conveyance System Planning and Design Project

SUMMARY

Issue: The proposed resolution authorizes the Fenner Vally Water Authority (Authority) to enter into a funding agreement with the U.S. Bureau of Reclamation for Fiscal Year 2024 Program for the Cadiz Northern Conveyance System Planning and Design Project.

Recommendation: Approve Resolution No. 24-04-01.

Fiscal Impact: The planning and design phase of this project has a total estimated cost of \$950,000 which will be paid for from Authority reserves.

DISCUSSION

The Northern Pipeline Project includes the facilities and equipment required to convey 25,000 AFY Conserved Water to the East Branch of the State Water Project through the Northern Pipeline, including 155-miles of 30" steel pipeline, property acquisition for easements and facilities including construction of up to six pump stations, and water treatment facilities.

The Authority is applying for a planning and design grant for up to \$400,000 to help offset the costs associated to the necessary work. Completing the planning and design efforts will set the stage for possibly acquiring additional grants to assist in funding the construction. Resolution No. 24-04-01 has been prepared to authorize designated Authority staff to prepare and file an application for funding with the U.S. Bureau of Reclamation (USBR); to execute the funding agreement with USBR; and to submit any required documents, invoices, and reports required to obtain grant funding from the USBR for the Cadiz Northern Conveyance System Planning and Design Project.

RESOLUTION NO. 24-04-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF FENNER VALLEY WATER AUTHORITY, SAN BERNARDINO COUNTY, CALIFORNIA, AUTHORIZING THE U.S. BUREAU OF RECLAMATION'S WATERSMART PLANNING AND PROJECT DESIGN GRANTS PROGRAM APPLICATION, ACCEPTANCE, AND EXECUTION FOR THE CADIZ NORTHERN CONVEYANCE SYSTEM PLANNING AND DESIGN PROJECT

WHEREAS, Fenner Valley Water Authority proposes to implement the Cadiz Northern Conveyance System Planning & Design Project, which will construct facilities to enhance water supply reliability with the capacity to transport up to 25,000 acre-feet of groundwater per year;

WHEREAS, the Project will transport water from the Cadiz Valley Groundwater Conservation, Recovery, and Storage Project via a repurposed existing pipeline and new pump stations and ancillary features to provide a new local supply of potable water to multiple benefitting agencies in southern California to reduce the region's dependence on imported water;

WHEREAS, Fenner Valley Water Authority has the legal authority and is authorized to enter into a funding agreement with the U.S. Bureau of Reclamation;

WHEREAS, Fenner Valley Water Authority intends to apply for grant funding from the U.S. Bureau of Reclamation's WaterSMART Planning and Project Design Grants for Fiscal Year 2024 Program for the Cadiz Northern Conveyance System Planning and Design Project;

THEREFORE, BE IT RESOLVED by the Board of Directors of the Fenner Valley Water Authority as follows:

1. That the Fenner Valley Water Authority's Executive Director, or designee is hereby authorized and directed to prepare and file an application for funding with the U.S. Bureau of Reclamation and take such other actions necessary or appropriate to obtain grant funding.
2. The Fenner Valley Water Authority's Executive Director, or designee is hereby authorized and directed to execute the funding agreement with the U.S. Bureau of Reclamation and any amendments thereto.
3. The Fenner Valley Water Authority's Executive Director, or designee is hereby authorized and directed to submit any required documents, invoices, and reports required to obtain grant funding from the U.S. Bureau of Reclamation.
4. The Fenner Valley Water Authority's Executive Director, or designee will work with the U.S. Bureau of Reclamation to meet established deadlines for entering into a grant or cooperative agreement.

APPROVED and ADOPTED by the Board of Directors of the Fenner Valley Water Authority this 25th day of April 2024.

Frank Ury
Chairman, Board of Directors
Fenner Valley Water Authority

ATTEST:

Kelly Radvansky
Secretary
Fenner Valley Water Authority

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, Kelly Radvansky, Secretary for Fenner Valley Water Authority, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a special meeting held on the 25th day of April 2024 and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

Kelly Radvansky
Secretary
Fenner Valley Water Authority

I, Kelly Radvansky, Secretary for Fenner Valley Water Authority, do hereby certify that the above and forgoing is a full, true, and correct copy of Resolution No. 24-04-01 of said Board, and that the same has not been amended or repealed.

DATED: April 25, 2024

Kelly Radvansky
Secretary
Fenner Valley Water Authority



FENNER VALLEY WATER AUTHORITY

MEMORANDUM

TO: Board of Directors **DATE:** April 25, 2024

FROM: Don Bunts, Executive Director

SUBJECT: Executive Director Report on Current Activities

DISCUSSION:

Cadiz is proposing to utilize its 220-mile 30” steel pipeline, known as the Northern Pipeline for delivery of up to 25,000 Acre-Feet per year (AFY) of Project Water to interested water purveyors in Southern California. The Northern Pipeline may be utilized for water exchanges with State Water Projects along the pipeline route.

At its February Board Meeting, the Authority authorized two professional services contracts related to the proposed Northern Pipeline Project. The following is an update of the status of the work under those professional services contracts:

Environmental Documentation

Environmental Science Associates (ESA) is underway preparing the CEQA checklist for the project to determine the required documentation. The activities include developing the pipeline alignment and potential pump station sites in a GIS format. This document will be used to initiate biological and cultural surveys for the 155 miles of the Northern Pipeline proposed to be utilized in this project. The project is still on schedule for a June 2024 completion.

Grant Assistance

Soto Resources is reviewing the various opportunities to secure funding for the proposed Northern Pipeline Project. The current work is preparing the application for a Bureau of Reclamation’s (USBR/Reclamation) WaterSMART – Drought Response Program Planning and Project Design Grants Program – Fiscal Year (FY) 2024 Funding. This is a planning and design grant with an application due date of May 21, 2024, with a potential grant of up to \$400,000.

The Authority is applying for grants for the first time and therefore is registering for a Unique Entity ID Number from the Federal Government. This can take some time, so it’s important to start soon. This is an eligibility requirement for the grant application.