



**FENNER VALLEY  
WATER AUTHORITY**

**AGENDA  
FENNER VALLEY WATER AUTHORITY  
SPECIAL BOARD OF DIRECTORS' MEETING**

**SANTA MARGARITA WATER DISTRICT BOARDROOM  
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688  
FEBRUARY 19, 2026 9:30 AM**

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

**Telephone Audio ID: 733 374 608#**

**<https://tinyurl.com/3fwm4nz5>**

**Teleconference Address: 42 Canyon Ridge Irvine, CA 92603**

***Revision to Agenda on February 17, 2026, to include teleconference address.***

**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 unless otherwise required by law, such as when a Director is attending the meeting virtually pursuant to certain provisions of the Brown Act.**

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 Howell at (949) 459-6642 at least 48 hours before the meeting if possible.

**ITEMS DISTRIBUTED TO THE BOARD LESS THAN 24 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 twenty four (24) 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**

*Public comments during a Special Meeting may address only specific items listed on the agenda. Persons wishing to address the Board of Directors should submit a "Request to be Heard" form to the Recording Secretary before the Presiding Officer announces the*

*agenda item. Comments are limited to three minutes unless further time is granted by the Presiding Officer.*

**4. SELECTION OF OFFICERS**

4.1 Consideration and Action on Selection of the Fenner Valley Water Authority Board of Directors Officer Positions for 2026 **Page 3**

**Recommendation:** Reappoint Frank Ury as Authority Chair and appoint Betty Olson as Vice Chair.

**5. CONSENT CALENDAR**

5.1 Consideration and Action on the Minutes of September 25, 2025, Special Board Meeting **Page 5**

**Recommendation:** Approve the Minutes.

5.2 Consideration and Action on the Appointment of Authority Executive Officers **Page 8**

**Recommendation:** Affirm the following Executive Officers, Robert Grantham, Executive Director; Kristine Day, Treasurer; and appoint Kelly Howell, Secretary.

5.3 Consideration and Action on Approving Resolution No. 26-02-01; Establishment of Time and Place of Regular Meetings for 2026 **Page 10**

**Recommendation:** Adopt Resolution No. 26-02-01.

**6. TREASURER ITEMS**

6.1 Fiscal Year 2026 Financial Statements (through December 31, 2025) **Page 16**

**7. INFORMATION ITEMS**

7.1 Cadiz Valley Water Conservation, Recovery and Storage Project Update

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

7.3 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 is scheduled for March 26, 2026, at 9:30 a.m.



## FENNER VALLEY WATER AUTHORITY

### MEMORANDUM

#### Agenda Item: 4.1

**TO:** Board of Directors **DATE:** February 19, 2026

**FROM:** Kelly Howell, Secretary

**SUBJECT:** Consideration and Action on Selection of the Fenner Valley Water Authority Board of Directors Officer Positions for 2026

#### SUMMARY

**Issue:** Board of Directors (Board) officer appointments occur annually in December or at the first Board meeting following December 1<sup>st</sup> of each year. It is appropriate at this meeting to nominate and appoint a Chair and Vice Chair for 2026.

**Recommendation:** Reappoint Frank Ury as Authority Chair and Betty Olson as Vice Chair.

**Fiscal Impact:** No fiscal impact to the appointment of officers.

#### DISCUSSION

By agreement, the Board of Directors of the Authority consists of three Directors and three Alternate Directors. Each Member of the Authority shall appoint one Director and one alternate Director; the Managing Member of the Authority shall appoint one additional Director and Alternate Director, as stated in Article 6 of the Agreement. At the Santa Margarita Water District (SMWD) Regular Board of Directors Meeting on January 7, 2026, the Board reaffirmed the appointments of Frank Ury and Betty Olson to the Fenner Valley Water Authority Board of Directors and reappointed the alternate Board Member seats occupied by Director Margaret Novak representing Santa Margarita Water District. Fenner Gap Mutual Water Company reaffirmed their appointment of Natasha Raykhman as their representative on the Authority's Board of Directors.

Annually, the Board of Directors considers officer positions, it is appropriate to nominate and appoint a Chair and Vice Chair of the Authority for 2026. Currently, Frank Ury is the Authority's Chair and Betty Olson is the Vice Chair. The responsibilities of the Chair, and the Vice Chair when serving as a replacement for the Chair, include the following:

- Signing resolutions;

- Calling the meeting to order at the appointed time;
- Announcing and summarizing each item on the agenda;
- Enforcing the Board's policies regarding the conduct of meetings;
- Recognizing persons who desire to speak;
- Protecting the speaker who has the floor from disturbance or interference;
- Restating motions before the Board to guarantee clarity;
- Ruling on parliamentary procedure; and
- Putting motions to a vote and state clearly the results of the vote.

On August 2, 2023, the Third Amendment to the Joint Exercise of Powers Agreement was created to include ex officio members, and on August 22, 2023, the County of San Bernardino joined the Authority as an ex officio member. The County's ex officio member is Third District Supervisor and Chair Dawn Rowe, and Fourth District Supervisor Curt Hagman as the alternate ex officio member for 2026. While ex officio members do not vote, they may participate in all discussions.

The recommendation is to reappoint SMWD Vice President Frank Ury as the Authority Chair and SMWD Director Betty Olson as the Authority Vice Chair.



**FENNER VALLEY  
WATER AUTHORITY**

**MINUTES  
FENNER VALLEY WATER AUTHORITY  
SPECIAL BOARD OF DIRECTORS' MEETING**

**SANTA MARGARITA WATER DISTRICT BOARDROOM  
26111 ANTONIO PARKWAY, RANCHO SANTA MARGARITA, CA 92688  
September 25, 2025 8:30 AM**

**Telephone Audio: +1 323-553-2644 fees may apply  
Telephone Audio ID: 597 515 158#**

<https://tinyurl.com/ye7sna4>

**Teleconference Address: 42 Canyon Ridge Irvine, CA 92603**

**ATTENDEES**

Frank Ury	Chair
Betty Olson	Vice Chair
Natasha Raykhman	Director
Robert Grantham	Executive Director
Dawn Rowe	Ex-Officio Member
Alisha Winterswyk	Best Best & Krieger/Counsel
Erin Schlegel	SMWD/Controller
Isra Shah	Best Best & Krieger/General Counsel
Kelly Howell	Secretary
Kristine Day	Treasurer
Paul Pender	SMWD/Director of Finance
Stacey Bruno	SMWD/Executive Assistant
Caroline McHugh	WilmerHale
Courtney Degener	Cadiz Inc.
David Gold	WilmerHale
Jennifer Farr	DavisFarr
Michelle Lewis	Plante Moran
Tom Barnes	Environmental Science Associates (ESA)

**1. CALL TO ORDER**

*The meeting was called to order at 8:30 a.m.*

**2. PLEDGE OF ALLEGIANCE**

**3. PUBLIC FORUM**

4. **CONSENT CALENDAR**

- 4.1 Consideration and Action on the Minutes of August 8, 2025, Board Meeting

**Recommendation:** Approve the Minutes.

**Motion:** Approve as recommended.

**Moved by:** Chairman Ury

**Seconded by:** Vice Chair Olson

**Ayes:** Olson, Raykhman, Ury

**Unanimously approved**

5. **ACTION ITEMS**

- 5.1 Consideration and Action on Resolution No. 25-09-01; Resolution of the Board of Directors of Fenner Valley Water Authority (1) Approving and Adopting Addendum No. 2 to the 2012 Environmental Impact Report for the Cadiz Valley Water Conservation, Recovery and Storage Project (SCH#2011031002) and (2) Approving a Memorandum of Understanding between Fenner Valley Water Authority and Cadiz with respect to the Northern Pipeline

**Recommendation:** Adopt Resolution No. 25-09-01.

*Tom Barnes, ESA, presented the EIR Addendum No. 2 to the Cadiz Valley Water Conservation, Recover and Storage Project. Mr. Barnes explained the project's background, and the need for the addendum.*

**Motion:** Approve as recommended.

**Moved by:** Chairman Ury

**Seconded by:** Vice Chair Olson

**Ayes:** Olson, Raykhman, Ury

**Unanimously approved**

6. **TREASURER ITEMS**

- 6.1 Consideration and Action on Fiscal Year 2024-2025 Audited Financial Statements; and Presentation by Davis Farr LLP

**Recommendation:** Approve the audited FY 2025 financial statements and submit to the County of Orange Auditor-Controller by December 31, 2025.

**Motion:** Approve as recommended.

**Moved by:** Chairman Ury

**Seconded by:** Director Raykhman

**Ayes:** Olson, Raykhman, Ury

**Unanimously approved**

- 6.2 Fiscal Year 2026 Financial Statements (through August 31, 2025)

7. **ADJOURNMENT**

*The meeting adjourned at 9:01 a.m.*



## FENNER VALLEY WATER AUTHORITY

### MEMORANDUM

#### Agenda Item: 5.2

**TO:** Board of Directors **DATE:** February 19, 2026

**FROM:** Robert Grantham, Executive Director

**SUBJECT:** Consideration and Action on the Appointment of Authority Executive Officers

#### SUMMARY

**Issue:** The Fenner Valley Water Authority annually affirms the Executive Director and Treasurer appointed by the Managing Member, Santa Margarita Water District; and appoints the Secretary.

**Recommendation:** Affirm the following Executive Officers: Robert Grantham, Executive Director; Kristine Day, Treasurer; and appoint Kelly Howell, Secretary.

**Fiscal Impact:** No fiscal impact to the appointment of Officers.

#### BACKGROUND

Formed in 2014, the Fenner Valley Water Authority is a joint powers authority comprised of Fenner Gap Mutual Water Company, a non-profit California mutual water company consisting of water providers participating in the Cadiz Water Project (among other entities), Santa Margarita Water District (SMWD), the lead agency of the Project's California Environmental Quality Act ("CEQA") process, and San Bernardino County. The County joined the Authority as an ex-officio member in 2023. The Authority is led by a three-person Board of Directors, appointed by the participating agencies. SMWD is the managing member of the FVWA and is responsible for the day-to-day operation of the Project.

The Executive Officers of the Authority include the Executive Director, Treasurer, and Secretary; and shall be appointed annually in accordance with the terms of the Authority's Joint Exercise of Powers Agreement. With approval of the Managing Member's Board, its General Manager or their appointee shall be the Executive Director; the Treasurer will be the Treasurer of the Managing Member; and the Secretary shall be appointed by the Authority's Board of Directors. The Santa Margarita Water District (SMWD) is the Managing Member of the Authority.

## **DISCUSSION**

Robert Grantham, SMWD General Manager, has agreed to be the Executive Director and was appointed by the SMWD Board of Directors on June 27, 2024. The Executive Director of the Authority is the Chief Executive Officer of the Authority and shall act as the representative of the Managing Member to carry out the duties and obligations of the Managing Member pursuant to Article 4 of the Agreement.

Kristine Day, SMWD Assistant General Manager and Treasurer, was appointed by SMWD Board of Directors as the Treasurer of the Authority on March 5, 2025; the Treasurer will recommend to the Executive Director and the Authority's Board on financial matters of the Authority; and will oversee the Authority's finances, financial reporting, annual audit, and investments.

The Secretary is appointed by and serves at the pleasure of the Board of Directors. Due to the nature of the duties of the Secretary it is advantageous to have the Secretary be a member of the staff based at the District office. Ms. Howell holds the office for SMWD. If reappointed, Ms. Howell's duties as Secretary will include oversight of preparation of the Board documents and packages, and in-house coordination of documents and public records. She will also be responsible for coordination of the Board of Directors outside activities as well as providing assistance, along with other administration staff, to the Executive Director.



## FENNER VALLEY WATER AUTHORITY

### MEMORANDUM Agenda Item: 5.3

**TO:** Board of Directors **DATE:** February 19, 2026

**FROM:** Kelly Howell, Secretary

**SUBJECT:** Consideration and Action on Approving Resolution No. 26-02-01; Establishment of Time and Place of Regular Board Meetings for 2026

#### SUMMARY

**Issue:** Resolution No. 26-02-01 of the Fenner Valley Water Authority establishes regular Board meetings for 2026 at the main office of the Santa Margarita Water District, commencing with the meeting on March 26, 2026, at the hour of 9:30 a.m.

**Recommendation:** Adopt Resolution No. 26-02-01.

**Fiscal Impact:** None

#### DISCUSSION

On November 14, 2014, Santa Margarita Water District and Fenner Gap Mutual Water Company entered into a Joint Exercise of Powers Agreement (Agreement) creating Fenner Valley Water Authority (Authority). The Agreement states that the Board shall meet at least once per year, at a date, time and place set by the Board, and at such other times as may be determined by the Board. Resolution No. 26-02-01 establishes a time and place for regular Board meetings for the Authority for 2026.

Notice of regular meetings shall be given in accordance with the provisions of the Ralph M. Brown Act of the State of California. If it is determined that it is not feasible or in the best interests of the Authority to hold a regular meeting, the Secretary of the Authority may declare the meeting adjourned to a stated time and place through written notice.

Proposed Regular Board Meeting Dates for 2026:

Meetings begin at 9:30 a.m.

Thursday, March 26  
Thursday, April 30  
Thursday, May 28  
Thursday, June 25  
Thursday, July 30  
Thursday, August 27  
Thursday, September 24  
Thursday, October 29  
Thursday, November 19  
Thursday, December 17

*Attachment: Resolution No. 26-02-01*

**FENNER VALLEY WATER AUTHORITY**

**RESOLUTION NO. 26-02-01**

**ESTABLISHMENT OF TIME AND PLACE OF REGULAR BOARD MEETINGS FOR 2026**

**WHEREAS**, the Santa Margarita Water District (the “District”) and the Fenner Gap Mutual Water Company entered into a Joint Exercise of Powers Agreement, dated as of November 14, 2014 (the “Agreement”), creating the Fenner Valley Water Authority (the “Authority”); and

**WHEREAS**, pursuant to Article 7 of the Agreement, the Board of Directors of the Authority (the “Board”) is required to conduct its meeting at such time and place as may be determined by the Board.

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

**Section 1. Recitals.** The Authority finds and determines that the foregoing recitals are true and correct.

**Section 2. Establishment of Regular Meetings.** A regular meeting of the Board shall be held monthly at the main office of the Santa Margarita Water District, commencing with the meeting on Thursday, March 26, 2026, at the time of 9:30 a.m. The established meeting time and dates are provided in Exhibit “A.” Regular meetings of the Board may be conducted by teleconference in accordance with the provisions of Section 54953 of the Government Code.

As provided in the Agreement, the time and place for regular meetings of the Board may be changed from time to time. Notice of a regular meeting shall be given in accordance with the provisions of the Ralph M. Brown Act of the State of California (constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

**Section 3. Adjournment of Regular Meetings.** As provided in Section 54955 of the Government Code, in the event that the Secretary of the Authority determines that it is not feasible or in the best interests of the Authority to hold a regular meeting at the time and date provided in Section 2, the Secretary of the Authority may declare the meeting adjourned to a stated time and place and the Secretary shall cause a written notice of the adjournment to be given in the same manner as provided in Section 54956 of the Government Code for special meetings of the Board.

**Section 4. Effective Date.** This Resolution shall take effect upon its adoption.

**ADOPTED** this 19<sup>th</sup> day of February 2026.

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Frank Ury  
Chair  
Fenner Valley Water Authority

ATTEST:

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Kelly Howell  
Secretary to the Board of Directors  
Fenner Valley Water Authority

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

I, Kelly Radvansky, Secretary of the Board of Directors of the 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 19<sup>th</sup> day of February 2026 and that it was so adopted by the following vote:

AYES: DIRECTORS:

NOES: DIRECTORS:

ABSENT: DIRECTORS:

ABSTAIN: DIRECTORS:

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Kelly Howell  
Secretary  
Fenner Valley Water Authority

I, Kelly Howell, Secretary of the Board of Directors of the Fenner Valley Water Authority, do hereby certify that the above and foregoing is a full, true, and correct copy of Resolution No. 26-02-01 of said Board, and that the same has not been amended or repealed.

DATED: February 19, 2026

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Kelly Howell  
Secretary  
Fenner Valley Water Authority

**Exhibit “A”**

Proposed Regular Board Meeting Dates for 2026:

Meetings begin at 9:30 a.m.

Thursday, March 26

Thursday, April 30

Thursday, May 28

Thursday, June 25

Thursday, July 30

Thursday, August 27

Thursday, September 24

Thursday, October 29

Thursday, November 19

Thursday, December 17



## **FENNER VALLEY WATER AUTHORITY**

### **MEMORANDUM**

**Agenda Item: 5.4**

**TO:** Board of Directors

**DATE:** February 19, 2026

**FROM:** Kristine Day, Treasurer  
Plante Moran, Accounting Consultant

**SUBJECT:** Fiscal Year 2026 Financial Statements (through December 31, 2025)

### **FINANCIAL SUMMARY HIGHLIGHTS**

This report includes the Authority's Balance Sheet and Income Statement (Revenue and Expenditure Report) for the period ending December 31, 2025.

- Total Authority expenses incurred for the fiscal year to date are \$99,582.18 (29.77% of the adopted budget).
- As of December 31, the Authority's cash balance was \$74,055.13.
- Unaudited financial statements as of December 31 have been prepared by Plante Moran.

The Balance Sheet and Revenue and Expenditure Reports are provided on the following pages.

Fenner Valley Water Authority  
COMPARATIVE BALANCE SHEET  
As of December 31, 2025

	YEAR ENDED 6/30/2025	PERIOD ENDED 12/31/2025	CHANGE Period Diff	% CHANGE Period % Var
<b>Assets</b>				
Bank Accounts				
1100000 - Cash	\$ 59,907.49	\$ 74,055.13	\$ 14,147.64	23.61 %
Total Bank Accounts	59,907.49	74,055.13	14,147.64	23.61 %
Other Current Assets				
1301100 - Prepaid Expense	629.87	629.87	0.00	0.00 %
Total Other Current Assets	629.87	629.87	0.00	0.00 %
Total Assets	60,537.36	74,685.00	14,147.64	23.37 %
<b>Liabilities and Equity</b>				
Liabilities				
Accounts Payable				
2000000 - Accounts Payable	1,530.00	0.00	(1,530.00)	(100.00) %
Total Accounts Payable	1,530.00	0.00	(1,530.00)	(100.00) %
Other Current Liabilities				
2019001 - Due to SMWD	4,743.44	0.00	(4,743.44)	(100.00) %
2400000 - Unearned Revenue	54,263.92	0.00	(54,263.92)	(100.00) %
Total Other Current Liabilities	59,007.36	0.00	(59,007.36)	(100.00) %
Total Liabilities	60,537.36	0.00	(60,537.36)	(100.00) %
Equity				
Fund Balance				
3902000 - Unrestricted	14,787.75	0.00	(14,787.75)	(100.00) %
Total Fund Balance	14,787.75	0.00	(14,787.75)	(100.00) %
Net Revenue	(14,787.75)	74,685.00	89,472.75	(605.04) %
Total Equity	0.00	74,685.00	74,685.00	100.00 %
Total Liabilities and Equity	\$ 60,537.36	\$ 74,685.00	\$ 14,147.64	23.37 %

Fenner Valley Water Authority  
REVENUE AND EXPENDITURE REPORT  
As of December 31, 2025

	YEAR ENDING 6/30/2025	YEAR ENDING 6/30/2026	Year To Date 12/31/2025	
	END BALANCE	BUDGET	YTD BALANCE	% BUDGET
<b>Revenue</b>				
4150600 - Bank Interest Income	\$ 7.16	\$ 0.00	\$ 3.26	0.00%
4172503 - Misc. Revenue - Other Operating Revenue Cadiz	230,736.08	0.00	174,263.92	0.00%
<b>Total Revenues</b>	<b>230,743.24</b>	<b>0.00</b>	<b>174,267.18</b>	<b>0.00%</b>
<b>Expenditures</b>				
<b>Operating</b>				
5308300 - Insurance	3,779.24	5,000.00	3,779.24	75.58%
5340410 - Accounting Services	17,385.00	25,000.00	10,307.50	41.23%
5340420 - Administrative Services	13,688.83	50,000.00	4,413.62	8.83%
5340440 - Auditing Services	10,760.00	12,000.00	11,190.00	93.25%
5340510 - Legal - Attorney Fees	67,867.40	100,000.00	42,949.56	42.95%
5340570 - Consultant and Professional Services - TRP	873.50	40,000.00	0.00	0.00%
5340580 - Consultant and Professional Services - External -	131,177.02	100,000.00	26,942.26	26.94%
5390900 - Other Items of Expense - Bank Fees Service	0.00	2,500.00	0.00	0.00%
<b>Total Operating</b>	<b>245,530.99</b>	<b>334,500.00</b>	<b>99,582.18</b>	<b>29.77%</b>
<b>Total Expenditures</b>	<b>245,530.99</b>	<b>334,500.00</b>	<b>99,582.18</b>	<b>29.77%</b>
<b>Revenue in Excess of Expenses</b>	<b>\$ (14,787.75)</b>	<b>\$ (334,500.00)</b>	<b>\$ 74,685.00</b>	<b>(22.33) %</b>