



State of California Secretary of State

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IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

November 28, 2012

DEBRA BOWEN
Secretary of State

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SECRETARY OF STATE, DEBRA BOWEN

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AGENDA ITEM 10c
STAFF REPORTS & RECOMMENDATIONS

POLICY AND OBJECTIVES OF THE ANTELOPE VALLEY-EAST KERN
WATER AGENCY

The Antelope Valley-East Kern Water Agency law became effective September 20, 1959, nearly six years ago. Beginning in 1952, committees of businessmen and women worked diligently to bring about a consciousness of the serious water condition which was developing because of the rapid rate of decline of the ground water levels. It was evident to these businessmen and women that a disaster was imminent unless imported water was delivered to this area. Finally on April 21, 1959, the committee, after seven years effort forwarded a proposal to the State Legislature to form the Antelope Valley-East Kern Water Agency. The proposal was accompanied by a letter which also was approved by the committee, signed by its President, which reads as follows:

"STATEMENT OF NEED AND JUSTIFICATION FOR ENACT-
MENT OF LEGISLATION TO CREATE THE ANTELOPE
VALLEY-EAST KERN WATER AGENCY

(An Act based largely upon the provisions of the Municipal Water District Act of 1911, Statutes 1911, Chapter 671, page 1290, and as amended)

The legislature is requested to create an Agency consisting of approximately 2500 square miles including territory both in Los Angeles and Kern Counties as shown on the attached map to serve as an entity capable of managing those water problems involved in importing water from the Feather River Project of the California Water Plan and the delivery thereof to all commercial, industrial and public uses.

Because of the largeness of this area, its present state of development, and its prospects for future development, it is deemed to be necessary to create an Agency empowered to do the following:

1. Contract with the State to effectuate and extend the California Water Plan within the boundaries of this proposed Agency by contracting to receive water from the State when it is appropriate to do so and to immediately and authoritatively make firm commitments to the State as to quantities of water required and to times of delivery thereof.

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2. To construct facilities at the expense of the Agency or portions thereof necessary for conveying water to the water service agencies within its boundaries and to sell water so delivered at equitable rates to the various water service agencies and inhabitants.
3. To enter into contracts with other political subdivisions of the State and agencies of the government as may be necessary in developing, conserving, treating, reclaiming and utilizing water from any source.
4. To recharge ground water basins with reclaimed, flood or imported water by spreading, sinking, conserving and storing and to extract therefrom such waters for beneficial uses.
5. To construct facilities necessary for the treating, transporting and distributing water, recharging of ground water basins, storage reservoirs for and conservation of storm waters, to construct facilities which would protect lives and property from flood water damage.
6. Provide for financing, maintenance and operation of the activities and facilities of the district as well as to provide for the financing of improvements.

The attached addition to the water code would create an entity peculiarly adapted to the situation existing in the Antelope Valley-East Kern Water Basin.

Most of the provisions mentioned above are included adequately in the Municipal Water District Act of 1911. However, features are included in this Act which are not deemed appropriate or operative in this area. These features which are necessary for a generalized district applicable throughout the State have been excluded from the proposed Antelope Valley-East Kern Water Agency. Any attempt to create a Municipal Water District as it is now written will meet with opposition, will not be satisfactory to all parties, and will not adequately accomplish the purposes desired.

It is imperative that an Agency be created at this session of the legislature in order to implement the California Water Plan and to schedule engineering and technical work which must be performed by this large service area in time to coordinate and plan its water requirements with the plans of the State Department of Water Resources as embodied in Bulletin No. 78, involving the Antelope-Mojave service area.

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The Antelope-Mojave service area as described in Bulletin No. 78 comprises 7600 square miles. This extremely large area may logically be divided into two portions along the San Bernardino County boundary, since this boundary closely follows ground water sub-basin boundaries.

The matter of recharging the ground water basins by the proposed Antelope Valley-East Kern Water Agency would not conflict with any ground water basin recharging projects of the proposed water agency for the remaining portion of the large service area which has been submitted as Senate Bill No. 1068.

The Antelope Valley-East Kern Water Basin Association representative of all areas of the Antelope Valley and East Kern areas, supports this measure and deems it to be the best solution offered after extensive study for providing supplementary water, in an organized manner, for this area.

It is the belief of this Association that this measure will provide the most equitable means of financing improvements and apportioning all costs in the delivery of water to the various areas of this 2500 square mile area.

R. B. McNutt, President
Antelope Valley-East Kern Water
Basin Association
April 21, 1959"

On February 27, 1960, the Board adopted a general policy statement which I understand was prepared as the result of recommendations made by a Consulting Engineering firm which reads as follows:

"The Board of Directors of the Antelope Valley-East Kern Water Agency, consisting of Director-representatives from every section of the area, encompassed by the Agency boundaries, wishing to clarify the purpose and intentions of the now existing Board of Directors, do herewith make the following policy declarations:

1. The primary purpose of the Agency is to provide supplemental water supplies from specified sources such as the proposed Feather River Project and from non-specified sources resulting from reclamation and/or conservation. It is the Board's unanimous opinion that supplemental water supplies are of paramount importance to the growth and prosperity of the Antelope Valley-East Kern County area. The Board is fully cognizant of their responsibility in this regard and will, to the best of their combined abilities, endeavor to serve in the public's best interest.

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2. Under the law, it is the obligation of the Agency to work with all existing and future water companies, agencies, and districts constituted to distribute and retail water to individual consumers and to bring forth by cooperative effort the greatest possible economic utilization of existing and future Agency-wide water supplies. It is not the intention of the Agency to in any way interfere with, nor compromise the obligations, rights, operations, or holdings of any water company, agency, or district constituted to distribute and retail water to individual consumers.
3. It is the contingent obligation of the Agency and its Directors to perform the functions required of the Agency in any and all parts and phases at the least possible total cost consistent with maximum public benefit. It shall be the obligation of the Agency, therefore, not only to provide whatever services are immediately necessary, but in addition, to formulate and establish a program which through proper advanced planning will enable the Agency to best possibly serve the public.
4. The Board of Directors recognizing the desirability of keeping the public fully informed, intends to disseminate information concerning water resources, development, use, and specifically invites all of those interested citizens and representatives of water companies, agencies, or districts to attend the meeting of the Antelope Valley-East Kern Water Agency and to lend the counsel of their experience and desires by participation in these meetings. All meetings are open to the public.

Adopted February, 1960."

The two above policy statements, one by the large committee initiating the formation of the agency law and the statement adopted by the first AVEK Board of Directors clearly show the purposes for which the agency was created and establishes a general program consistent with the Agency law.

The agency on January 9, 1962, presented me with an employment contract and the duties defined therein, which were entirely conceived by the Board include the following:

"(a) Engineer shall be privileged and it shall be his duty to attend, insofar as feasible all meetings of the Board, and he shall have the privilege of speaking at Board meetings on all matters before the Board.

(b) The Engineer shall recommend all budgets, ordinances and all feasible engineering plans and programs within the Agency, which

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pertain to flood control, reclamation of sewage effluent, recreation, financing, special district formation, local and regional water distribution systems, or other special systems permitted by Agency law.

- (c) The Engineer shall also, when he deems it necessary and proper, and when required by the Board, make recommendations concerning annexations and exclusions in the areas within and without the district. However, it is understood, with reference to (b) and (c) above, that all proposed ordinances, contracts and all other documents of a legal nature, shall be submitted to legal counsel for review prior to submission to the Board; likewise, budgets and all matters pertaining to finance and accounting, shall be submitted to the auditor for review prior to submission to the Board, and in both cases, prior to any action's being taken on such legal or financial matters.
- (d) The Engineer shall recommend ordinances and resolutions governing such plans of the agency....."

You will note here again, the Board pursuant to the Agency law and its resolution adopted March, 1960, delegated to me, as its administrator, the matter of presenting to the Board feasibility plans relating to flood control, reclamation of sewage effluent, recreation, financing, special district formation, local and regional water distribution systems and to make recommendations to the Board concerning annexations and exclusions. In every respect I have acted solely within these contractual limitations and I have attempted to carry out the policy of the Board as reflected by the Agency law and the three documents mentioned. The Board has taken consecutive steps toward these objectives.

The agency entered into a contract with the State for supplemental water in the amount of 138,400 acre-feet per year in 1990, beginning with an initial delivery in 1971 or 1972 of 20,000 acre-feet per year. The Board has adopted resolutions requesting that the contract be modified for the purpose of eliminating peaking from the State system which necessitated that the agency prove feasibility of construction and financing a reservoir suitable for this purpose. A suitable site was found in the Antelope-Fairmont Buttes area and it has been demonstrated to the State that it is engineeringly and financially feasible for the agency to build this reservoir.

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TIME SCHEDULE FOR WATER UTILIZATION .

July 1, 1965	Contract negotiations with the State Department of Water Resources 98% completed.
August 1, 1965	Amend contract with respect to peaking and delivery points.
August 1, 1965	Start final preparation of Chief Engineer's preliminary report and recommendations for a general plan of water distribution and water conservation, including recommendations on the timing and financing of the elements of the system.
January 1, 1966	Complete above report for submittal to the Board.
February 1, 1966	Complete preparation of the engineering and financial feasibility report.
April, 1966	Bond election ordered.
June, 1966	Bond issue election.
August, 1966	Sale of first issue of bonds for the purpose of preparing final plans and specifications of: <ul style="list-style-type: none">1. Reservoir.2. Treatment plant.3. Delivery structures from State Aqueduct to proposed agency water system.4. Plans for the aqueduct from reservoir to service initial water users and preliminary plans for the conveyance system in order to acquire rights-of-way.
July, 1967	Sale of Bonds, Series 2, for the purpose of (1) acquiring land for reservoir site, and (2) acquire easements for pipelines needed for the initial delivery of water.
July, 1968	Detailed plans and specifications for construction of dam, inlet structures, outlet structures, treatment plant, recreational facilities of reservoir, fencing, landscape, access roads, power recovery plant completed. Also, final plans and specifications for aqueducts needed to transport water to areas in need of initial deliveries of water.

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Time Schedule for Water Utilization

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- September, 1968 Series 3 of bonds sold and contracts awarded for the construction of reservoir, inlet and outlet structures and water treatment plant.
- January, 1969 Contracts awarded for the construction of segments of the agency primary water system to be used to bring the ground water basin water to areas expected to be in distress in 1969. Later these mains would be supplied water from the agency reservoir and treatment plant.
- January, 1970 Contracts completed on segments of water system and water delivered from the basin to areas then in need.
- January, 1971 Contracts awarded to construct portions of the primary water system needed to deliver water from the reservoir to the segments of the primary water system which have formerly been completed and to any other new areas in need of water service. Also, to construct reaches of the agency primary system to deliver water into Gorman, Hungry Valley and Three Points areas if needed. Also, to construct a portion of the primary water system, if needed, to supply the Tejon and Tehachapi Foothill reaches.
- March, 1972 Reservoir completed, major treatment plant completed. Note: It may be desirable to provide a separate connection off the East Branch in the vicinity of the Ana Verde siphon for the delivery of water to Acton and to the lands of higher elevation in the vicinity of Ana Verde. Should this feature be approved by the Board in the next few months, then a treatment plant would be completed in 1972 for the purpose of serving Acton and upper Ana Verde areas, Desert View Highlands and other lands which would be ^{above} ~~below~~ the hydraulic gradient serviced by the AVEK reservoir. As needed, other bonds would be sold to finance water mains.

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The above schedule includes time for proceedings, preliminary design, final design and construction of the various elements of the AVEK future system.

Following is a brief tabulation derived from recently released Bulletin 132-65 which shows the obligation incurred by the agency under its contract with the State. (See Page 9.)

While estimates of the agency system are not ready for publication, we have been able to demonstrate the following:

The delivery schedule of water to the agency, namely 20,000 acre-feet in 1972 and 25,000 acre-feet in 1973, etc., will be needed to supply to local purveyors in the following areas:

Hughes-Elizabeth Lakes area
Leona Valley
Quartz Hill County Water District
White Fence Farms
Palm Ranch Irrigation District
County Waterworks District No. 4, Lancaster
County Waterworks District No. 24, Pearblossom,
County Waterworks District No. 27, Calivali
County Waterworks District No. 33, Sun Village
County Waterworks District No. 34, Desert View Highlands
County Waterworks District No. 35, Hi Vista
County Waterworks District No. 37, Acton

With these expected retail customers, the agency should be in a position to sell its treated, pressurized water at a price which would pay a substantial portion of the assessments levied by the State and a substantial portion of the bonded indebtedness incurred by the agency for its distribution system.

It is a certainty that the agency must have its distribution system ready for use in 1972.

The need for water had been demonstrated and the policy of the Board has been amply established and at various times re-stated. The agency law is clear in its policy in delineating the purposes of the agency. The fear of small and particularly major taxpayers in the area that they will be hurt by a large tax burden if the agency is allowed to build its distribution system are completely at variance with the facts. Unless the water system is built and functional by 1972, no water will be sold by the agency and the taxes will remain at a high level.

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I have estimated that the agency water can be sold and that there will be a demand for it at \$60.00 per acre-foot. Remembering that the local distributor will not have to make an investment in wells and treatment plants and some major trunk lines, their operating expenses can be greatly lowered. We have estimated that water could be sold to some of the present domestic water systems for \$80 per acre-foot without causing them to increase their water rates.

GROUNDWATER LEVELS FALLING

Comparison of the latest groundwater elevations made available to the agency by the USGS with the groundwater elevations shown on a map published in 1962, show that vast quantities of water have been removed far in excess of the normal replenishment rate. The overdraft is enormous. Those of us who were aware of the groundwater conditions and viewed with alarm in 1948 the rate of the lowering of groundwater levels, now have greater concern. Water conditions in marginal areas are now more serious than we anticipated. They are serious right now in Lancaster. Our predictions made in 1955 that an imported source would be seriously needed in this area within 15 years appears to be confirmed. Local distributors of water expect and are entitled to know the agency's plans so that they can coordinate their plans with those of the agency.

Drawing from many years of experience of water basin management and in the consequences which follow as a lack of management, I again recommend to your honorable body adoption of the following criteria and objectives to aid in the management of water resources within the Antelope Valley-East Kern Water Agency in the public interest:

1. Import and put to beneficial use State project water by the sale to local distributors treated water under pressure.
2. That the distribution system for delivery of State project water be based upon the following assumptions:
 - (a) The cost of water likely will preclude its general use for agricultural purposes.
 - (b) The highest and best use of land in Antelope Valley will tend to be for urban, commercial and industrial purposes.
 - (c) Agriculture, which has been the principal economic stabilizing force in Antelope Valley economy should be encouraged to flourish within the limitations of available water sources, including reclaimed sewage waters, as a means of preventing waste and as a means of conservation of local water resources.

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- (d) The groundwater basin should be used as a reservoir for emergency storage and for meeting extreme peak flows where feasible. In order to preserve the usefulness of this valuable resource, the agency is vitally interested in preventing the contamination of groundwater resources and in taking necessary steps to prevent the continuing basin overdraft and to find corrective measures to prevent the destruction of the valuable ground water basins.
 - (e) Potable or treated imported water should be delivered to the communities in the agency, under pressure, and thereby eliminate wherever possible, duplication of facilities for the storage of water.
 - (f) The agency distribution system should be designed in such a way that it would most economically deliver water to the communities consistent with local distributors' plans and without duplication of facilities. The agency will receive water at an elevation which makes it possible to provide the following advantages to local communities.
 - 1. Store water at less expense than can be done locally.
 - 2. Store water at a higher elevation than is available to most communities in the agency.
 - 3. Delivery of fresh water under pressure.
 - 4. Route the primary and secondary distribution system in the best manner which would stimulate growth.
 - (g) The agency should utilize the groundwater basin for augmenting imported supplies during extreme peaking conditions by pumping water into the system as needed. By incorporating these features in the distribution system, the agency could deliver water to a large portion of the present populated area and the areas which are most likely to grow in the immediate future at rates cheaper than these areas could produce water from groundwater sources.
3. Conserve water. A large percentage of the water imported from the State Project will pass through the sewage systems of the communities and gravitate towards Rosamond Dry Lake, which is the drainage focal point of about 70% of the area of the agency. In 1990 it is estimated that between 40,000 and 50,000 acre-feet of water could be

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- (3. cont'd) recovered by inexpensive treatment for agricultural uses. This water which will contain plant nutrients (phosphates and nitrates) can be treated through oxidation ponds and retention for seasonal demands for agricultural purposes profitably to the extent that the cost for treatment and capital costs should be completely liquidated by the sale of water for agricultural purposes. It is also possible to conserve flood control waters by encouraging percolation into the groundwater basin and concentrating runoff water into areas where the water can be recovered for agricultural and industrial purposes.
4. Encourage formation of local water companies and districts for the distribution of water.

Randle G. Lunt
Chief Engineer & General Manager

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