



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

BOARD OF DIRECTORS

ROBERT E. ALVARADO
Division 1

DON WILSON
Division 2

MARCO HENRIQUEZ
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys

April 17, 2019

**AGENDA FOR REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
to be held at the District's office at 2029 East Avenue Q, Palmdale
MONDAY, April 22, 2019
6:00 p.m.**

NOTES: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Dawn Deans at 661-947-4111 x1003 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Dawn Deans al 661-947-4111 x1003 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

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 District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 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 District to carry out its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

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/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.



- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held April 8, 2019.
 - 6.2) Payment of bills for April 22, 2019.
 - 6.3) Approve absence of Director Wilson from April 8, 2019 meeting due to conference attendance. (General Counsel Dunn)
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on Contract Amendment No. 4 with Kennedy/Jenks Consultants authorizing the 2019 Scope of Work for the Palmdale Regional Groundwater Recharge and Recovery Project. (\$225,000.00 – Budgeted – Project No. 12-400 – Engineering/Grant Manager Riley)
 - 7.2) Consideration and possible action on Cost Sharing Agreement with Puente Basin Water Agency (PBWA) and Valley County Water District (VCWD) to hire Reeb Government Relations LLC for advocacy efforts. (\$1,666.66/Month – Budgeted – Budget Item No. 1-02-5070-007, Administration-Consultants – Assistant General Manager Ly)
 - 7.3) Consideration and possible action on rescheduling second Regular Board Meeting in May due to the Memorial Day holiday. (No Budget Impact – General Manager LaMoreaux)
 - 7.4) Consideration and possible action on Board of Directors compensation comparison survey tabled from March 25, 2019 Regular Board Meeting. (No Budget Impact – Director Mac Laren/Human Resources Director Emery)
 - 7.5) Consideration and possible action on outreach activities for 2019. (Public Affairs Director Shay)
 - a) Outreach report.
 - b) Upcoming events/2019 plans.
 - c) Water Summit.
 - d) Outreach recommendations from Directors.
 - 7.6) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2019 Budget:
 - a) None at this time.

- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) Antelope Valley State Water Contractors Association.
 - 2) Palmdale Recycled Water Authority.
 - 8.2) Report of General Manager.
 - a) April 2019 written report of activities through March 2019.
 - 8.3) Report of General Counsel.
- 9) Board members' requests for future agenda items.
- 10) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: April 15, 2019 **April 22, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVE ABSENCE OF DIRECTOR WILSON FROM APRIL 8, 2019 REGULAR BOARD MEETING DUE TO CONFERENCE ATTENDANCE. (GENERAL COUNSEL DUNN)***

Director Wilson was absent from the April 8, 2019 Regular Board Meeting. Agenda Item No. 6.3 has been placed on the Consent Calendar to excuse this absence pursuant to Section 4.07.2 of the District's Rules and Regulations which states, "The Board shall excuse absences by approving such absences pursuant to the Consent Calendar at the next regular Board meeting."

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: April 15, 2019 **April 22, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. James A. Riley, Engineering/Grant Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
Mr. Adam Ly, Assistant General Manager
RE: **AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION
ON CONTRACT AMENDMENT NO. 4 WITH KENNEDY/JENKS
CONSULTANTS AUTHORIZING THE 2019 SCOPE OF WORK FOR
THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND
RECOVERY PROJECT. (\$225,000.00 – BUDGETED – PROJECT NO. 12-
400 – ENGINEERING/GRANT MANAGER RILEY)**

Recommendation:

Staff recommends that the Board:

1. Approve Amendment No. 4 with Kennedy/Jenks Consultants for the Palmdale Groundwater Recharge and Recovery Project (PRGRRP) in a not-to-exceed amount of \$225,000; and
2. Authorize the General Manager to execute Amendment No. 4 to the Professional Services Agreement with Kennedy/Jenks dated March 30, 2015.

Alternative Options:

The Board could choose to not approve the contract

Impact of Taking No Action:

The viability of the present recharge site for groundwater recharge would continue to have an element of uncertainty.

Background:

Work began on the Palmdale Groundwater Recharge and Recovery Project in 2014. A preliminary design report was completed in 2015, and a final environmental report was completed in June 2016. Test wells and a test recharge basin were constructed at the proposed recharge site in May 2017. To verify the capability of the soil to remove certain water quality constituents, soil samples were collected from the potential recharge site. The soil samples were placed in 6-inch and 8-inch diameter 8 to 10 feet high clear plastic tubes in Trussell Technologies' laboratory in Pasadena. Reclaimed water from the Palmdale Water Reclamation Plant was then introduced into the soil columns, and data was collected over a period of several weeks. Initial results of data relating to Total Organic Carbon (TOC) and N-nitrosodimethylamine (NDMA) removal from the soil column tests in the laboratory has yielded results in which the percent of removal of the two constituents is significantly lower than what is normally acceptable. These test results have led to the District having concerns relating to the overall viability of the site for a full-scale groundwater recharge project.

To develop a higher level of confidence in whether to proceed with design and construction of the facilities at the proposed site or to seek an alternate site, the District opted for a second opinion on the hydrogeological conditions through use of sonar technology to locate underground barriers to the potential recharge site and to better locate future production wells.

The report using sonar technology was completed in March 2019. Results of this study confirmed that the relatively impermeable layers of material encountered in drilling of the monitoring wells was not bedrock. Bedrock was found to be at 650 feet and not at the 300 feet that the drillers thought. Based on this study, it was evident that the monitoring wells did not tap into the deep underground aquifer which lies at depths of 300 feet to 500 feet with a saturated aquifer thickness of 200 feet. Based on these findings, the PWD will drill two additional monitoring wells to bedrock and tap into the deep aquifer. In addition, a test well at one of the existing monitoring wells will be drilled to bedrock for purposes of testing the yield of the aquifer. Results of the tests from these wells will be available in 2020. Amendment No. 4 is to develop the plans and specifications to drill the wells.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 1 – Water Supply Reliability
This item directly relates to the District's Mission Statement.

Budget:

This project is a Budgeted Item (Project No. 12-400, PRGRRP Consulting Services, Kennedy/Jenks)

Supporting Documents:

- Scope of Work and Budget – Exhibit A
- Contract Amendment No. 4

**SCOPE OF WORK – EXHIBIT A
CONTRACT AMENDMENT NO. 4
PALMDALE GROUNDWATER RECHARGE AND RECOVERY PROJECT**

Task 1. Project Management

1.1 Project Management

Project coordination and administration will be provided, consisting of invoicing, schedule and budget monitoring, subconsultant coordination, and contract administration. The budget is associated with a project schedule extension of 9 months from April through December 2019. Kennedy Jenks will prepare agendas attend up to four (4) progress meetings at PWD's offices.

1.2 QA/QC

Kennedy Jenks will provide quality reviews of project deliverables in accordance with our QA/QC program.

Task 3. Groundwater Model Update

3.1 Groundwater Flow Model Update

The groundwater model will be updated based on the depth to bedrock data presented in *Summary Report Hydrogeological Evaluation Proposed Ground-Water Recharge Project Antelope Valley Los Angeles County, California*, by Geo-consultants, Inc. A revised groundwater flow analysis with estimates of recharge and recovery capacities and flow paths will be provided based on the updated groundwater model. A revised estimate of underflow credit will also be provided.

A draft technical memorandum will be provided summarizing the groundwater modeling results. A final technical memorandum will be provided based on PWD's comments.

Task 4. Title 22 Engineering Report

4.1 Report Preparation

The Title 22 Engineering Report will be updated to address Division of Drinking Water's (DDW) comments on the Draft Report and reflect the latest status of the Project. It is assumed that two (2) submittals will be required for final approval of the Engineering Report.

4.3 Title 22 Public Workshop

Kennedy Jenks will prepare a draft presentation for the Title 22 Workshop. A final presentation will be provided based on PWD's comments on the draft presentation. Kennedy Jenks staff will attend the Title 22 Workshop.

Task 10. Blue Ribbon Panel

10.2 Meeting No. 4

This task consists of preparation for the 4th meeting with the Blue Ribbon Panel to discuss the Title 22 Engineering Report, Soil Column Test results, and project siting. The task also includes attendance of one (1) full-day meeting with the Blue Ribbon Panel, which will include PWD, LACSD, Kennedy Jenks, and NWRI staff.

Task 12. Monitoring and Test Wells

12.1 Basis of Design Memorandum

Kennedy Jenks will prepare a Basis of Design (BOD) Memorandum for the construction of Monitoring Well 2A and 2B (MW-2A and MW-2B) and the construction of Test Well (TW-1) at the MW-1 site, including well siting and well profile figures, construction schedule, and opinion of probable construction cost (OPCC). The BOD will serve as the 30% design submittal.

12.2 Design Documents and OPCC

Kennedy Jenks will prepare the contract documents for MW-2A/2B and the TW-1 at the MW-1 site with submittals to PWD for review at 90 and 100% completion, with an OPCC at 90%. Submittals will be electronic and PWD will handle advertising and electronic bid document distribution.

12.3 Bid Assistance

Kennedy Jenks will provide bid assistance including participation in a pre-bid conference, answering questions during the bid phase, preparation of up to two addenda (distributed by PWD), evaluation of bids, and recommendation for award.

12.4 Construction Management

Kennedy Jenks will provide construction management including field observation by a geologist or engineering technical under the supervision of a Professional Geologist, coordination with the Contractor and PWD, and office engineering. The field observation budget is based on 40 field days during well drilling, logging, reaming, casing, development, pump testing, and sampling. The office engineering services will include submittal review, RFIs, and review of progress payments. It is assumed that PWD staff will perform overall contract management including evaluation and processing of any change orders.

12.5 Well Completion Reports

Kennedy Jenks will prepare and submit electronically Well Completion Reports for the MW-2A/2B and TW-1.

PROJECT Description: PRGRRP 2019 Work Plan
 Proposal/Job Number: 1344505'01 Date: 3/21/2019

Insert Dwg Sht Row	Jan 3 Rates																													
Classification:	Eng-Sci-9	Eng-Sci-8	Eng-Sci-7	Eng-Sci-6	Eng-Sci-5	Eng-Sci-4	Eng-Sci-3	Eng-Sci-2	Eng-Sci-1	Designer	CAD Tech	Project Admin	Admin. Assist.	Geologist/ Engr Tech	Total	KJ	Sub	Sub	Sub	Sub	Sub	KJ	KJ	KJ						
Hourly Rate:	\$280	\$280	\$235	\$215	\$200	\$180	\$185	\$160	\$130	\$180	\$110	\$115	\$85	\$130	Hours	Fees	Fees	Fees	Fees	Fees	Fees	5%	Fees	5%	Total Labor	Total Subs	Total Expenses	Total Labor + Subs + Expenses		
Task 1 - Project Management and QA/QC																														
1.1 Project Management	24			20			20					8			72	\$15,240						\$0	\$500	\$25	\$15,240	\$0	\$525	\$15,765		
1.2 QA/QC	2	12		2			2						2		20	\$4,630			\$872			\$44		\$0	\$4,630	\$916	\$0	\$5,546		
Task 1 - Subtotal	26	12	0	22	0	0	22	0	0	0	0	8	2	0	92	\$19,870	\$0	\$0	\$872	\$0		\$44	\$500	\$25	\$19,870	\$916	\$525	\$21,311		
Task 3. Groundwater Model Update																														
3.1 Groundwater Flow Model Update	6		100				8								114	\$26,500						\$0		\$0	\$26,500	\$0	\$0	\$26,500		
Task 3 - Subtotal	6	0	100	0	0	0	8	0	0	0	0	0	0	0	114	\$26,500	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$26,500	\$0	\$0	\$26,500		
Task 8 - Title 22 Engineering Report																														
8.1 Report Preparation	16	8	8	28	12	12	112		24	8	48		4		280	\$47,560						\$0		\$0	\$47,560	\$0	\$0	\$47,560		
8.3 Title 22 Public Workshop	12			12			20								44	\$9,240						\$0	\$200	\$10	\$9,240	\$0	\$210	\$9,450		
Task 8 - Subtotal	28	8	8	40	12	12	132	0	24	8	48	0	4	0	324	\$56,800	\$0	\$0	\$0	\$0		\$0	\$200	\$10	\$56,800	\$0	\$210	\$57,010		
Task 10 - Blue Ribbon Panel																														
10.4 Meeting No. 4	10		4	10			10						2		36	\$7,730		\$16,000				\$800	\$500	\$25	\$7,730	\$16,800	\$525	\$25,055		
Task 10 - Subtotal	10	0	4	10	0	0	10	0	0	0	0	0	2	0	36	\$7,730	\$0	\$16,000	\$0	\$0		\$800	\$500	\$25	\$7,730	\$16,800	\$525	\$25,055		
Task 12 - Monitoring Wells																														
12.1 Basis of Design Memorandum	4					2	24				16				46	\$7,200			\$1,744		\$87		\$0	\$7,200	\$1,831	\$0	\$9,031			
12.2 Design	4	4				4	40				16				68	\$11,240			\$1,744		\$87		\$0	\$11,240	\$1,831	\$0	\$13,071			
12.3 Bid Assistance	2					2	20								24	\$4,220			\$872		\$44	\$207	\$10	\$4,220	\$916	\$217	\$5,353			
12.4 Construction Management (40 days in field)	4					4	46							360	414	\$56,230			\$1,744		\$87	\$5,000	\$250	\$56,230	\$1,831	\$5,250	\$63,311			
12.5 Well Completion Reports														30	30	\$3,900			\$436		\$22		\$0	\$3,900	\$458	\$0	\$4,358			
Task 12 - Subtotal	14	4	0	0	0	12	130	0	0	0	32	0	0	390	582	\$82,790	\$0	\$0	\$6,540	\$0		\$327	\$5,207	\$250	\$82,790	\$6,867	\$5,467	\$95,124		
Project Total	84	24	112	72	12	24	302	0	24	8	80	8	8	390	1148	\$193,690	\$0	\$16,000	\$7,412	\$0		\$1,171	\$6,407	\$320	\$193,690	\$24,583	\$6,727	\$225,000		

AMENDMENT No. 4

This Amendment No. 4 is to the Professional Services Agreement dated March 30, 2015 between Palmdale Water District and Kennedy/Jenks Consultants, for professional services related to the Palmdale Regional Groundwater Recharge and Recovery Project. This Amendment is to add the Scope of Services for Kennedy/Jenks Consultants to complete the 2019 Work Plan as detailed in attached Exhibit "A".

Amendment No. 4 Not-to-Exceed Total: \$ 225,000.00

Except as modified by the foregoing, the parties' Professional Services Agreement dated March 30, 2015 remains in full force and effect.

The parties hereto have caused this Agreement to be duly executed by its authorized officers.

PALMDALE WATER DISTRICT

KENNEDY/JENKS CONSULTANTS

By _____

By _____

Its: General Manager

Its: _____

Date _____

Date _____

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: April 15, 2019 **April 22, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Adam Ly, Assistant General Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON COST SHARING AGREEMENT WITH PUENTE BASIN WATER AGENCY (PBWA) AND VALLEY COUNTY WATER DISTRICT (VCWD) TO HIRE REEB GOVERNMENT RELATIONS LLC FOR ADVOCACY EFFORTS. (\$1666.66/MONTH – BUDGETED – BUDGET ITEM NO. 1-02-5070-007, ADMINISTRATION-CONSULTANTS – ASSISTANT GENERAL MANAGER LY)***

Recommendation:

Staff recommends that the Board approve the Cost Sharing Agreement with PBWA and VCWA to hire Reeb Government Relations LLC to advocate on behalf of Palmdale Water District in the California State Legislature on the Water Tax and related water issues.

Alternative Options:

The Board could choose not to approve the Cost Sharing Agreement with PBWA and VCWD.

Impact of Taking No Action:

The District will solely rely on our membership in the Association of California Water Agencies (ACWA), American Water Works Association (AWWA), and California Special Districts Association (CSDA) to represent the organization. Our specific needs may not be addressed at the State level.

Background:

The District has been proactively promoting the organization and working to promote our organization and its customers' needs. Recently, the Governor has proposed a water tax to help disadvantaged communities that violate water quality standards. There is a competing effort, AB 217, The Safe Water Trust Bill, to set aside \$200 million/year of State surplus for five years to fund an assistance program. The District prefers the State use surplus funds instead of the water tax, which could negatively impact our customers and result in inefficiency. The lobbying effort proposed by Reeb will help the District to direct our voice to the right committee in the legislature to maximize our support of AB 217.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

April 15, 2019

In addition, Reeb will help the District monitor water related issues and funding opportunities and will help reach out to the right individuals in the State Legislature in supporting the District's needs.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 5 – Regional Leadership.
This item directly relates to the District's Mission Statement.

Budget:

This project is under Budget Item No. 1-02-5070-007, Administration–Consultants.

Supporting Documents:

- Cost Sharing Agreement – Lobbying Services

COST SHARING AGREEMENT – LOBBYING SERVICES

This Cost Sharing Agreement – Lobbying Services (“Agreement”) is made, entered into and effective as of April __, 2019 (the “Effective Date”), by and among: Puente Basin Water Agency (“PBWA”), a joint powers agency consisting of Rowland Water District (“RWD”) and Walnut Valley Water District (“WVWD”); Valley County Water District, a county water district (“VCWD”); and Palmdale Water District, an irrigation district (“PWD”); and any additional agencies which may be added in the future (which entities may be referred to individually herein as a “Party” or collectively as the “Parties”), with respect to the following facts:

RECITALS

- A. Each Party is a water supplier duly organized and operating under applicable California law.
- B. The Parties desire to collectively engage a legislative advocacy firm, Reeb Government Relations LLC (the “Consultant”), to provide advocacy and lobbying services with respect to legislative and regulatory matters pending or which may be introduced in the California State Legislature and certain state agencies that impact the Parties’ interests, and desire to memorialize their agreement regarding their collective payment of the Consultant’s costs.

AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Point of Contact. Tom Coleman of PBWA and RWD shall be designated as the point of contact between the Consultant and the Parties; provided, however, that the Consultant may freely communicate with any Party as necessary to efficiently obtain information or documents needed in connection with the services Consultant shall provide, as described in Section 1 of Exhibit A hereto (the “Services”). In accordance with the Services Agreement defined below, each Party shall appoint a representative to the management steering committee to coordinate the Services to be provided to the Parties.

2. Authorization to Execute Agreement with Consultant. The Parties hereby authorize PBWA, on the Parties’ collective behalf, to execute a Lobbying Firm Retention Contract (the “Services Agreement,” a true and correct copy of which is attached hereto as Exhibit A and incorporated herein by this reference) with the Consultant, subject to each Party’s review and concurrence in such agreement, which review and concurrence shall occur as each Party shall determine to be appropriate, provided that each Party shall provide PBWA with its written concurrence to the Services Agreement. Any material amendment to the Services Agreement (i.e., an increase in price, extension of delivery

schedule or significant change in the scope of work to be performed by the Consultant) shall be subject to the review and approval of each Party.

3. Cost Sharing. As stated in the Services Agreement, Consultant shall bill PBWA the sum of \$6,000 per month as compensation for the Services, plus reimbursable costs under the Services Agreement. The Parties shall be responsible for the following shares of that monthly fee: PBWA: \$3,333.34 per month; PWD: \$1,666.66 per month; and VCWD: \$1,000 per month. Reimbursable costs incurred by the Consultant shall be initially split with PBWA paying one-half (1/2) of such costs, and PWD and VCWD each paying one-quarter (1/4) of such costs, with that split to be proportionately adjusted as additional Parties join the Agreement. As to the monthly fee, PBWA's and PWD's respective shares shall decrease as additional Parties join this Agreement, as shall be agreed as between PBWA, PWD and any such additional Party, and this Section 3 shall be amended accordingly. The Parties agree that VCWD's share shall be reduced proportionately after more than four additional Parties have joined the Agreement. The Consultant shall invoice PBWA each month and PBWA shall in turn invoice each Party for that Party's share of such fees and costs and each Party shall pay PBWA such costs within twenty-five (25) days of receipt of PBWA's invoice. PBWA shall pay Consultant in accordance with the terms of the Services Agreement.

4. Failure to Pay. If a Party fails to timely pay PBWA as set forth in Section 3, above, that Party shall thereafter pay PBWA within three (3) calendar days of receipt from PBWA of a final written demand for payment. If that Party does not pay PBWA its respective share within that three (3) day period, then the other Parties that have paid PBWA shall further pay to PBWA their proportionate share of the unpaid amounts (by way of example, if there are six Parties to the Agreement and four of the Parties have paid PBWA and two Parties have not, then each of the four Parties that have paid PBWA their respective shares shall contribute to PBWA one-fourth (1/4th) of the total unpaid amount). If the Party that has failed to pay PBWA its share subsequently pays PBWA that share, PBWA shall credit to the other Parties the contributions made pursuant to this paragraph. If such payment is not made within that three (3) calendar day period, PBWA may commence legal action to collect the unpaid amount, and the Party that has failed to pay those costs shall be liable for all costs of collection incurred by PBWA, including attorneys' fees. Within three (3) business days of recovery of such payment, PBWA shall reimburse or credit the other Parties the contributions made pursuant to this paragraph.

5. Confidentiality. To the extent permitted by law, the Parties shall maintain the confidentiality of information provided by Consultant that is marked "confidential."

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

7. Amendment. This Agreement may be modified only by a written agreement signed by the Parties.

8. Severability. If any court determines that any provision of this Agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this Agreement invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

9. Counterparts; Execution by Fax or E-Mail. This Agreement may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this Agreement will be considered signed when the signature of a party is delivered by facsimile or e-mail transmission. Such facsimile or e-mail signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the last date set forth below.

Puente Basin Water Agency

Dated: April ____, 2019

By _____
Erik Hitchman, Administrative Officer

Valley County Water District

Dated: April ____, 2019

By _____
Jose Martinez, General Manager

Palmdale Water District

Dated: April ____, 2019

By _____
Dennis LaMoreaux, General Manager

EXHIBIT A

Reeb Government Relations, LLC

1107 9th Street, Suite 230
Sacramento CA 95814
Phone: 916-558-1926
Facsimile: 916-558-1932
robertreeb@comcast.net

LOBBYING FIRM RETENTION CONTRACT

The following constitutes a lobbying firm retention contract between **REEB GOVERNMENT RELATIONS, LLC** (“RGR” hereinafter), or its legal successor in interest, and **PUENTE BASIN WATER AGENCY** (“PBWA” hereinafter), or its legal successor in interest.

1. **SERVICES TO BE PERFORMED**—PBWA engages the services of RGR as an independent contractor. RGR will provide advice and representation to PBWA and on behalf of other local water agencies associated with PBWA pursuant to a written Cost Sharing Agreement. Services will relate to California state legislative and regulatory matters. Such services shall include:
 - A. Representation in the State Capitol and with the Executive Branch in regard to the 2019-20 California legislative program of the participating agencies.
 - B. Research and analysis of state legislative and regulatory issues and related initiatives; drafting legislation and amendments thereto relating to such issues.
 - C. Legislative reporting services as may be required by the participating agencies.
 - D. Participation and attendance at meetings, upon request by the participating agencies, including, but not limited to, meetings related to issues management and formation of lobbying coalitions.

RGR will work under the direction of a management steering committee of the participating agencies, which shall include PBWA’s management, and will coordinate services to be performed with same. Initially, Tom Coleman shall be PBWA’s point of contact with RGR.

**Puente Basin Water Agency
Lobbying Firm Retention Contract
Page 2 of 3**

- B. TERMS OF PAYMENT—PBWA will pay RGR, according to terms and conditions set forth herein, a fee of SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00) per month for the period of April 1, 2019 through October 31, 2020. This amount shall be due on the first (1st) day of each month from April 2019 through October 2020, inclusive. Payment shall cover all time expended by RGR personnel unless otherwise agreed to by RGR and PBWA.
- A. Invoices shall be submitted monthly by RGR for payment by PBWA. Payment is past due the next business day following the fifteenth of the month. If PBWA has any valid reason for disputing any portion of an invoice, PBWA will so notify RGR within seven (7) calendar days of receipt of invoice, and if no such notification is given, the invoice shall be deemed valid. The portion of RGR's invoice that is not in dispute shall be paid in accordance with the procedures set forth herein.
- B. PBWA shall reimburse RGR all costs incurred in connection with the services rendered. Reimbursable costs include, but are not limited to, travel costs, telephone, facsimile, copies, and delivery that are attributable to the services rendered. Travel costs are defined as air travel, lodging, meals and incidentals, ground transportation, and all costs associated with travel. All extraordinary travel expenses must receive PBWA's prior approval. RGR shall provide to PBWA substantiation of reimbursable costs incurred. In no event shall the aggregate amount of reimbursable costs payable by PBWA in 2019 exceed the amount of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00). Any expense incurred in excess of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) shall be the legal responsibility of RGR.
- C. A finance charge of 1.5% per month on the unpaid amount of an invoice will be charged on past due accounts. Payments by PBWA will thereafter be applied first to accrued interest and then to the principal unpaid balance. Any attorney fees, court costs, or other costs incurred in collection of delinquent accounts shall be paid by PBWA. If payment of invoices is not current, RGR may suspend performing further work.
3. INDEPENDENT CONTRACTOR—It is understood that RGR will function as an independent contractor and will hold itself out as such and will be without authority to obligate PBWA for indebtedness, contracts, or other legal obligations.

**Pico Water District
Lobbying Firm Retention Contract
Page 3 of 3**

4. **POLITICAL REFORM ACT**—RGR will be solely responsible for its filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time. PBWA, and any other participating agencies, will be solely responsible for their respective filing and reporting obligations pursuant to the Political Reform Act of 1974, as it may be amended from time to time.

5. **GOVERNING LAW** - This contract shall be governed by and construed pursuant to the laws of the State of California.

6. **ENTIRE AGREEMENT** - This contract represents the entire agreement of the parties and no other representations, promises or agreements, oral or otherwise, shall be of any force or effect. This contract may be supplemented, amended or revised only in writing by agreement of the parties.

7. **TERM OF CONTRACT**—This engagement shall be subject to review at any mutually agreed upon time. Either party may terminate this engagement without cause by giving written notice at least sixty (60) days prior to the date of termination. PBWA's obligation to pay any further monthly installments shall cease upon the date of the termination and PBWA shall have no further monetary obligation to RGR as of that date of termination. The effective date of this agreement is April 1, 2019, and it shall terminate on October 31, 2020.

**PUENTE BASIN WATER
AGENCY**
271 South Brea Canyon Road
Walnut, CA 91789

**REEB GOVERNMENT
RELATIONS, LLC**
1107 9th Street, Suite 230
Sacramento, CA 95814

By: Erik Hitchman
Administrative Officer

By: Robert J. Reeb
Managing Officer

Date: April __, 2019

Date: April __, 2019

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: April 15, 2019 **April 22, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION
ON RESCHEDULING SECOND REGULAR BOARD MEETING IN MAY
DUE TO THE MEMORIAL DAY HOLIDAY. (NO BUDGET IMPACT –
GENERAL MANAGER LaMOREAUX)***

Recommendation:

Staff recommends the second Regular Board Meeting in May be rescheduled due to the Memorial Day holiday.

Alternative Options:

The Board can choose to cancel the second Regular Board Meeting in May.

Background:

The second regular Board meeting in May falls on May 27, 2019, which is Memorial Day and is a District holiday. The Board can either reschedule or cancel the meeting.

Strategic Plan Initiative/Mission Statement:

This work is part of Strategic Initiative No. 3 – Systems Efficiency.
This item directly relates to the District's Mission Statement.

Budget:

This item will not impact the Budget.

Supporting Documents:

None.

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: April 15, 2019 **April 22, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Jennifer Emery, Human Resources Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION
ON BOARD OF DIRECTORS COMPENSATION COMPARISON
SURVEY TABLED FROM MARCH 25, 2019 REGULAR BOARD
MEETING. (NO BUDGET IMPACT – DIRECTOR MAC
LAREN/HUMAN RESOURCES DIRECTOR EMERY)***

Recommendation:

This is an informational item.

Alternative Options:

This is an informational item.

Impact of Taking No Action:

The impact of not taking action would leave Board compensation as it currently is.

Background:

The Palmdale Water District does compensation surveys for positions within the District every three years. It was requested that the same twelve southern California water districts be surveyed as to Board compensation. What was found is that the Palmdale Water District is at the low end of the scale with a per meeting stipend of \$150.00 per meeting. The average stipend amount is \$217.13. Eleven of the twelve district's surveyed allow the statutory 10 meetings per month. Most district's allow Directors to attend any conferences approved by the Board. All districts offer health insurance to Board members at the same rate as it is offered to staff.

Strategic Plan Initiative/Mission Statement:

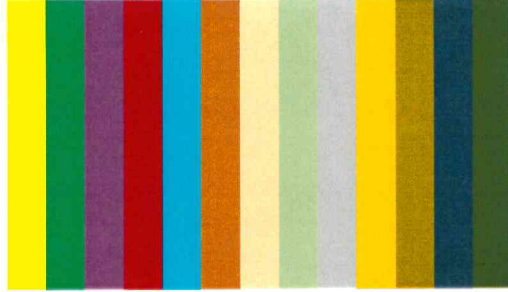
This work is part of Strategic Plan Initiative No. 2 – Organizational Excellence

Budget:

This is an informational item.

Supporting Documents:

- Survey



Palmdale Water District
Cucamonga Valley Water District
Las Virgenes Municipal Water District
Yorba Linda Water District
Olivenhain Municipal Water District
Western Municipal Water District
Castaic Lake Water Agency
Desert Water Agency
Eastern Municipal Water District
Mesa Consolidated Water District
Rancho California Water District
Walnut Valley Water District
Padre Dam Municipal Water District

	Per Meeting stipend	Conferences	Benefits
Cucamonga Valley Water District	\$250.00	Unlimited	Same as staff
Las Virgenes Municipal Water District	\$220.00	Unlimited	Same as staff
Yorba Linda Water District	\$150.00	Unlimited	Same as staff
Olivenhain Municipal Water District	\$150.00	Unlimited	Same as staff
Western Municipal Water District	\$240.67	Unlimited	Same as staff
		3 - multi day	
		per year 12 -	
		single day per	
Castaic Lake Water Agency	\$228.15	year	Same as staff
Desert Water Agency	\$389.75	Unlimited	Same as staff
Eastern Municipal Water District	\$223.00	Unlimited	Same as staff
Mesa Consolidated Water District	\$264.00	Unlimited	Same as staff
Rancho California Water District	\$200.00	Unlimited	Same as staff
Walnut Valley Water District	\$150.00	Unlimited	Same as staff
Padre Dam Municipal Water District	\$140.00	unlimited	Same as staff
Average	\$217.13		up to 7 per diem stipends per month
Palmdale Water District	\$150	Unlimited	Same as staff

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: April 16, 2019 **April 22, 2019**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Ms. Judy Shay, Public Affairs Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION
ON OUTREACH ACTIVITIES FOR 2019. (PUBLIC AFFAIRS
DIRECTOR SHAY)***

A detailed report on the Outreach activities listed below will be provided at the Board meeting.

- a) Outreach report.
- b) Upcoming events/2019 plans.
- c) Water Summit.
- d) Outreach recommendations from Directors.

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

**MINUTES OF FEBRUARY 21, 2019
REGULAR MEETING AGENDA NO. 46
PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
www.cityofpalmdale.org
www.palmdalewater.org**

1. CALL TO ORDER.

Chair Carrillo called the meeting to order at 5:01 p.m.

2. PLEDGE OF ALLEGIANCE.

**3. ROLL CALL: CHAIR JUAN CARRILLO, DIRECTORS VINCENT DINO,
KATHY MAC LAREN, AUSTIN BISHOP AND HELEN
VELADOR**

PRESENT: Directors Carrillo, Dino, Mac Laren, and Velador

ABSENT: Director Bishop

Motion: Move to excuse the absence of Directors Bishop.
Moved by Director Mac Laren, seconded by Director Dino.

Vote: Motion Carried (4-0)

Yes: Directors Carrillo, Dino, Mac Laren, and Velador

Absent: Director Bishop

4. ADMINISTRATION OF OATH OF OFFICE. (Staff Reference: Authority Secretary Smith).

Authority Secretary Smith swore in Alternate Director Robert Alvarado.

5. WAIVER OF FULL READING OF RESOLUTION(S).

Motion: Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting.

Moved by Director Velador, seconded by Director Mac Laren.

Vote: Motion Carried (4-0)

Yes: Directors Carrillo, Dino, Mac Laren, and Velador

Absent: Director Bishop

6. CONSENT CALENDAR – PUBLIC COMMENTS ONLY:

Public Comments: None.

7. CONSENT CALENDAR:

7.1 Approve the Minutes from the previous meeting held on January 22, 2019 (7pm). (Staff Reference: Authority Secretary Smith)

7.2 Approve receipt and filing of the Treasurer's Report for the twelve months ending December 31, 2018. (Staff Reference: Treasurer-Auditor Williams)

7.3 Approve receipt and filing of the Investment Report for the quarter ending December 31, 2018. (Staff Reference: Treasurer-Auditor Williams)

7.4 Approval and acceptance of the three-year audit proposal from Nigro & Nigro for preparation of annual audit for calendar years 2018, 2019, & 2020, and to authorize the Executive Director to enter into professional services agreement for the same. (Staff Reference: Treasurer-Auditor Williams)

7.5 RESOLUTION NO. PRWA 2019-002, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY ESTABLISHING ITS INVESTMENT POLICY. (Staff Reference: Treasurer-Auditor Williams)

Motion: Move to approve the recommendations and findings on all items listed under this Consent Calendar by one vote.

Moved by Director Velador, seconded by Director Dino.

Vote: Motion Carried (4-0)

Yes: Directors Carrillo, Dino, Mac Laren, and Velador

Absent: Director Bishop

8. NEW BUSINESS:

- 8.1 Discussion regarding change of meeting date and possible adoption of Resolution No. PRWA 2019-001. (Staff Reference: Authority Counsel Ditzhazy)

8.1a RESOLUTION NO. PRWA 2019-001, RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY REPEALING RESOLUTION NO. PRWA 2017-002 AND SETTING FORTH THE PRWA'S REGULAR MEETING DATE, TIME AND LOCATION

Assistant General Counsel Doran presented the staff report and read the title of Resolution No. PRWA 2019-001.

Chair Carrillo spoke about this item and requested the meeting date change based on his work schedule.

Director Mac Laren spoke about possible conflict with the State Water Contractors meeting which is held on the on 3rd Thursday.

Director Velador stated Thursday meetings are an issue with her schedule and that Mondays are better for her.

There was additional Board discussion regarding this item.

Assistant General Counsel Doran suggested tabling the item and bringing it back to the next meeting for discussion.

Motion: Move to table this item and have a discussion at the next meeting about changing the meeting date.

Moved by Director Mac Laren, seconded by Director Dino.

Vote: Motion Carried (4-0)

Yes: Directors Carrillo, Dino, Mac Laren, and Velador

Absent: Director Bishop

9. NON-AGENDA ITEMS - PUBLIC COMMENTS:

Public Comments: None.

10. REQUESTS FOR NEW AGENDA ITEMS:

There were no requests for new agenda items.

11. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.

Executive Director LaMoreaux spoke about options to move Phase II forward.

Director Mac Laren asked about the upcoming WateReuse California Annual Conference. Executive Director LaMoreaux stated that the Conference was approved by the Board in January and will be held in March.

12. ADJOURNMENT.

Chair Carrillo adjourned the meeting at 5:30 p.m.

PASSED, APPROVED, and ADOPTED this _____ day of _____ 2019.

Juan Carrillo
Chair

ATTEST:

Rebecca J. Smith,
Secretary

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, MARCH 14, 2019.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, March 14, 2019, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Vice Chair Dino called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance.

At the request of Vice Chair Dino, Commissioner Dyas led the pledge of allegiance.

2) Roll Call.

Attendance:

Vincent Dino, Vice Chair
Leo Thibault, Treasurer-Auditor
Kathy Mac Laren, Secretary
Keith Dyas, Commissioner
John Tenerelli, Alt. Commissioner

Others Present:

Matt Knudson, General Manager
Peter Thompson II, Asst. General Manager
Tom Barnes, Resources Manager
James Chaisson, LCID General Manager
Danielle Henry, Management Analyst
1 member of the public

EXCUSED ABSENCES--

Robert Parris, Chair
Barbara Hogan, Commissioner

3) Adoption of Agenda.

It was moved by Commissioner Mac Laren, seconded by Commissioner Thibault, and unanimously carried by all members of the Board of Commissioners present at the meeting to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Consideration and Possible Action on Minutes of Regular Meeting Held February 19, 2019.

It was moved by Commissioner Dyas, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held February 19, 2019, as written.

6) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received from PWD in the amount of \$1,323.77 for staff services, from AVEK in the amount of \$841.56 for staff services, from the Antelope Valley Fair Association in the amount of \$10,000.00 for sponsorship of the 2019 Home Show and SMART Water Expo, and from Raftelis in the amount of \$1,641.25 for professional services associated with the Financial Analysis for Replacement Water Assessment for the period of February 1, 2019 through February 28, 2019. The motion was seconded by Commissioner Mac Laren and unanimously carried by all members of the Board of Commissioners present at the meeting.

7) Discussion and Possible Action on Financial Analysis Study for Providing Replacement Water to the Antelope Valley. (General Manager Knudson/Assistant General Manager Thompson II)

General Manager Knudson reviewed the draft Financial Analysis Study for Providing Replacement Water to the Antelope Valley prepared by Raftelis, including the fixed and variable components of replacement water costs, and after discussions of the data used for the fixed and variable calculations, of the potential competition for replacement water through transfers, and of the Association's rights to the financial model developed by Raftelis for use of future replacement water cost adjustments, it was determined to present the draft Financial Analysis Study for Providing Replacement Water to the Antelope Valley to each member agency Board for review and approval.

8) Report of General Manager and Assistant General Manager.

a) Update on Proposed East Side Recycled Water Line Project.

General Manager Knudson stated that he has no report on this item.

b) Update on Big Rock Creek Joint Groundwater Recharge Project.

Assistant General Manager Thompson II stated that staff has reduced the water flow from the Department of Water Resources connection for the Big Rock Creek Joint Groundwater Recharge Pilot Project due to natural recharge from the recent rains and that staff will continue to monitor flows at the Project site.

c) Update on Antelope Valley Watermaster Meetings.

General Manager Knudson stated the next Watermaster meeting will be held on March 27, 2019 at 10 a.m. at AVEK and that discussions will include water transfers, well applications, and payment of bills.

d) Update on Antelope Valley and Fremont Basin IRWMP Stakeholder meetings.

General Manager Knudson stated that the Antelope Valley IRWMP Stakeholders met on March 6, 2019 and that the focus of the meeting was to determine the top five projects to include with the Antelope Valley IRWMP update for upcoming Proposition 1 grant funding.

He then stated that the Fremont Basin IRWMP has been completed and submitted to the Department of Water Resources for review and that the three member agencies of Fremont Valley are expected to approve the Plan next month.

e) Update on Mutual Aid Agreement.

Assistant General Manager Thompson II stated that staff is discussing practical ways to apply the Association's Mutual Aid Agreement and that information on this item will be provided at a future meeting.

9) Report of Controller.

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

General Manager Knudson provided a brief update on the Association's revenue, expenses, and change in net position for year ending February 28, 2019 and stated that the balance in the General Program Fund is running low and that the 2019 Home Show and SMART Water Expo sponsorship shares have been invoiced to each of the member agencies followed by a brief discussion of available funds and volunteers for the SMART Water Expo.

10) Reports of Commissioners.

Commissioner Mac Laren stated that PWD General Manager LaMoreaux has been nominated for a Board position with the California Special Districts Association Southern Network and that AVEK and LCID may receive a letter requesting support for his nomination.

There were no further reports.

11) Report of Attorney.

There was no report.

12) Commission Members' Requests for Future Agenda Items.

It was determined that "Consideration and Possible Action on the Financial Analysis Study for the Cost of Providing Replacement Water to the Antelope Valley," "Update on the Big Rock Creek Joint Groundwater Recharge Project," "Update on Proposed East Side Recycled Water Line Project," "Update on Antelope Valley Watermaster Meetings" and "Update on Antelope Valley and Fremont Basin IRWMP Stakeholder meetings" will remain on the next meeting agenda and that "Consideration and Possible Action on Position of ACWA/JPIA Representative" be added to the next meeting agenda.

There were no further requests for future agenda items.

13) Consideration and Possible Action on Scheduling the Next Association Meeting.

It was determined that the next regular meeting of the Association will be held on April 11, 2019 at 6:00 p.m. at Palmdale Water District.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
MARCH 14, 2019
REGULAR MEETING

14) **Adjournment.**

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned at 6:40 p.m.


Secretary

DATE:	April 17, 2019	April 22, 2019
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	<i>AGENDA ITEM NO. 8.2.a – APRIL 2019 GENERAL MANAGER REPORT</i>	

The following is the April 2019 report to the Board of activities through March 2019. It is organized to follow the District's six strategic initiatives adopted in January 2018 and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



Water Resource Reliability

- Complete the 2018 phase of the Upper Armagosa Creek Recharge Project**
- Ensure Palmdale Recycled Water Authority (PRWA) to be fully operational by year 2020**
- Adopt new state-of-the-art water treatment technologies**
- Implement the Antelope Valley Groundwater Adjudication agreement**
- Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project**
- Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project**
- Identify and pursue opportunities to increase the reliability of water supply**



Organizational Excellence

Offer competitive compensation and benefits package to promote employee retention
Focus Succession Planning Program on ensuring an overlap of training for key positions
Continue providing transparency to our ratepayers
Promote and support leadership training and professional development programs to enhance the District's customers' experience



Systems Efficiency

- Implement 2016 Water System Master Plan**
- Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure**
- Explore energy independence**
- Continue being the industry's leader on the use of Granular Activated Carbon (GAC)**
- Research and test new technologies to increase efficiencies**
- Improve safety and training for Directors, employees and customers**
- Develop a crisis communications plan**



Financial Health and Stability

Pursue additional grant funding for all District projects
Adopt a sustainable and balanced rate structure to meet short and long-term needs
Create a five-year financial plan in conjunction with the 2019 Water Rate Plan
Maintain adequate reserve levels, high-level bond rating, and financial stability



Regional Leadership

Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority
Expand school water education programs
Engage elected officials in water-related issues
Continue offering career opportunities through the Internship Program
Provide opportunities for local businesses to contract with the District



Customer Care, Advocacy and Outreach

Increase Customer Care accessibility through communication and feedback to enhance customers' experience
Evaluate, develop, and market additional payment options
Be point of communication for customers' water-related public health concerns
Develop the District's Public Outreach Plan
Increase public awareness of the District's history and promote centennial anniversary

This report also includes charts that show the effects of the District's efforts in several areas. They are organized within each strategic initiative and include status of the State Water Resources Control Board's (SWRCB) long-term conservation orders, 20 x 2020 status, the District's total per capita water use trends, 2019 water production and customer use graph, mainline leaks, and the water loss trends for both 12- and 24-month running averages.



Water Resource Reliability

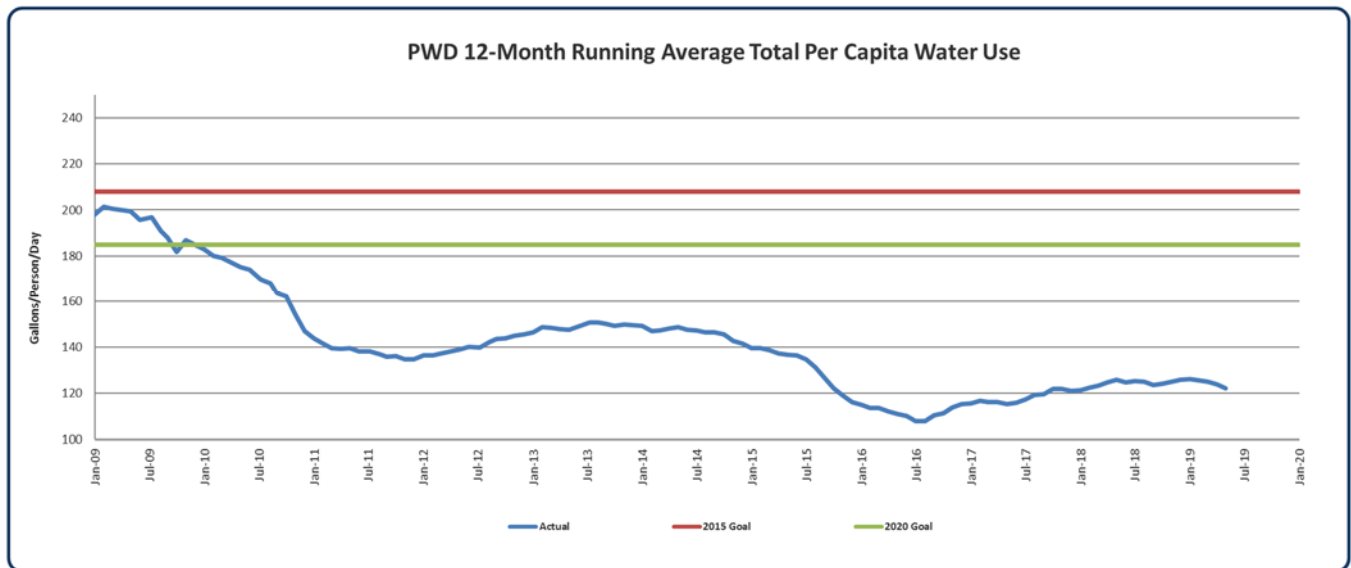
This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

State Water Resources Control Board (SWRCB) Activities

- The 20 x 2020 per capita reduction goals passed by the legislature in 2009 and new long-term water budgeting requirements have now been replaced with new requirements and water agency water budgets. These follow through on the "Making Water Conservation

a California Way of Life” plan. The District expects to easily comply with the new requirements as they are based on the same philosophy as the District water budget rate structure.

The District’s compliance with the former 20 x 2020 law is evident from the chart titled “PWD 12-Month Running Average Total Per Capita Water Use.”:

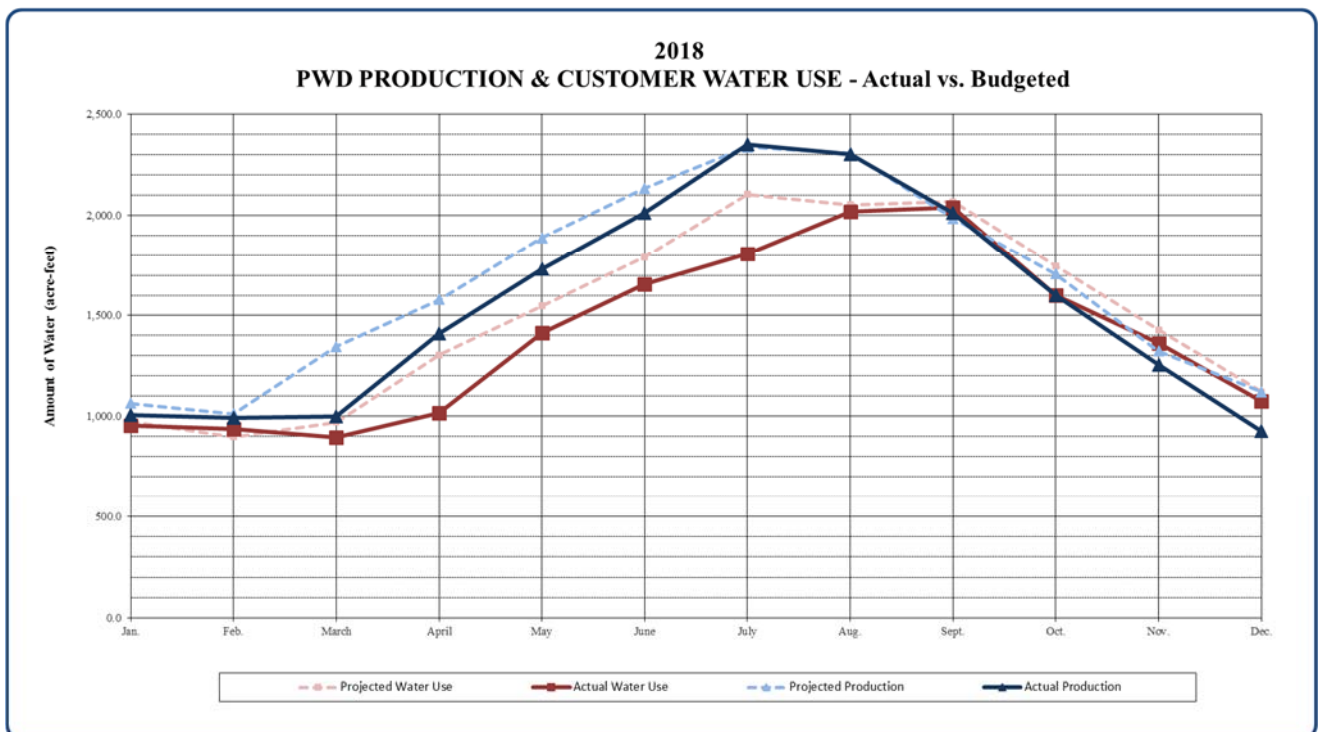
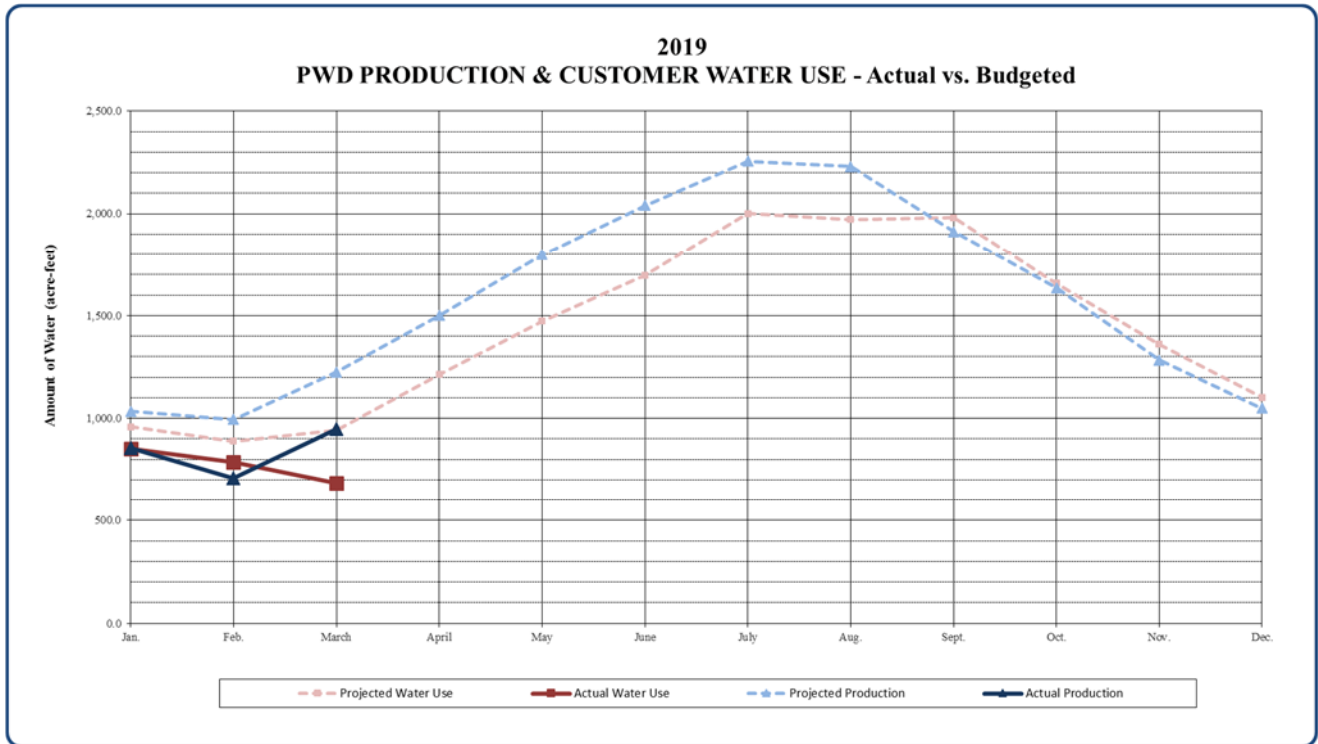


The District’s customers have cut their water use by **47.2%** from the baseline number of 231 and met the 2020 Goal in early 2010. The current Total-GPCD is 122.

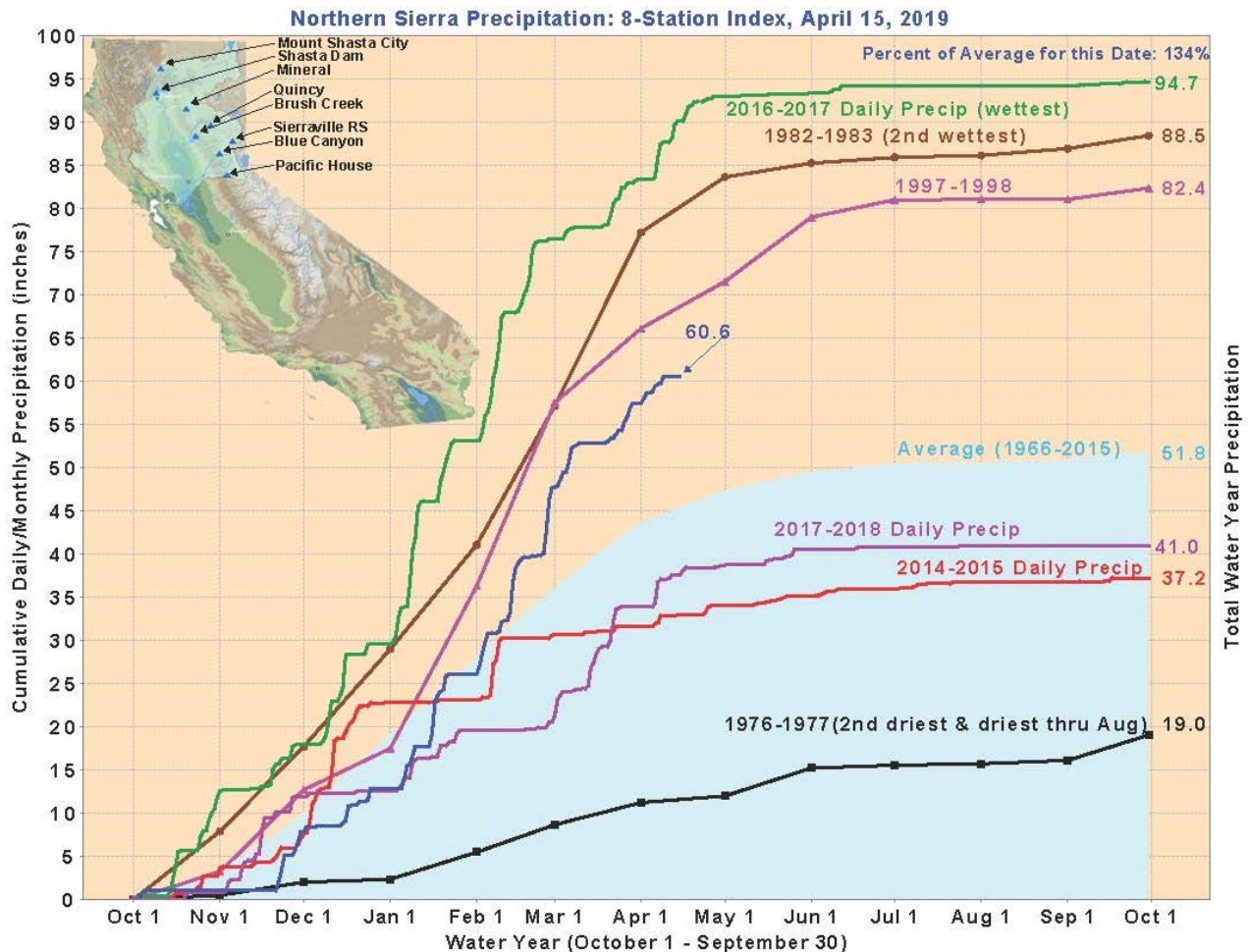
Water Supply Information

- The AV Adjudication is now in its fourth year, and the reduction to the native safe yield is in its second year. The District’s native groundwater right is 2,769.63 AF. Other groundwater rights for 2018 were 1,452.27 AF of unused Federal Reserve Rights, 3,828.41 AF of Return Flow Rights, and 3,911.94 AF of Carryover Rights. These groundwater rights total 11,962.55 AF. The District used approximately 6,073 AF. This leaves a total carryover amount of approximately 5,890 AF going into 2019. The District’s 2019 groundwater rights are expected to be similar to 2018 and will be calculated in the next couple months.
- The 2019 water resources plan will be finalized when the State Water Project (SWP) allocation is determined in May. The current SWP allocation is 70% and provides approximately 22,000 AF. The District will be using a higher amount of surface water than normal due to the SWP and Littlerock Reservoir supplies. SWP supplies beyond our customers’ needs will be banked or exchanged to help provide water during dry years.

The following graph shows actual amounts through March 2019 and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year. Water use is less than anticipated so far this year due to the rainy weather. The 2018 chart is added in this report for comparison.



The precipitation index for the area contributing to the State Water Project is currently at 134% of average and appears to be leveling off as a significantly wet year. This is shown in the following graph.



Other Items

- The Littlerock Reservoir Sediment Removal Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was fully approved in 2017. All required permits are in place, and a construction contract for the Grade Control Structure was awarded in July 2018 to ASI Construction, LLC (ASI) of Colorado Springs.

ASI installed dewatering wells around the construction area and began pumping out water in early November. Dewatering, excavation, and constructing a water bypass continued through December and early January. A series of storms during the week of January 14th overwhelmed the partially completed water bypass and flooded the construction site. The construction site is now secured. Work is expected to begin again in July or August of this year and be complete by November.

A citizen's committee, Friends of Littlerock Dam (FOLD), was formed in the Littlerock, Pearblossom, and Juniper Hills area to find a way to reopen the Littlerock Reservoir Recreation area. They worked with the District and the USFS on this issue. The USFS plans to issue a request for proposals for a recreational operator. This process is expected to take over a year.

- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13, 2016, and the Notice of Determination was filed on July 14, 2016. The comments from the SWRCB Recycled Water Division on the Title 22 Engineering Report were addressed and returned for further review. Another set of comments was recently received and are being reviewed.

The analysis of information from the pilot spreading basin is complete. The soil column tests were completed and reported on late last year. The District reviewed additional geotechnical work done to verify the proposed location is suitable. The result is a recommendation to drill two additional monitoring wells.

- The long-planned Upper Amargosa Creek Recharge Project is now under contract for construction. One contract is for the California Aqueduct turnout and transmission water main. The other is for the recharge basins. They are higher than original estimates and will result in a request from the City of Palmdale to the District, LA County Waterworks, and AVEK for additional funding. A successful groundbreaking was held on November 15, 2018. Construction is expected to take a full year.
- California Water Fix: There have been recent regulatory approvals moving this project forward. However, the current Governor has only stated support for one of the proposed tunnels. The State Water Contractors and the Department of Water Resources are continuing discussions about the Project's financing and operations. These discussions will result in a clearer picture of the effect on individual contractors. Staff is directly involved in these discussions and will be able to update the Board in the future.



Organizational Excellence

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

- An initial workshop was held on January 30, 2019 to discuss the District's direction and begin to update the Strategic Plan for 2019.

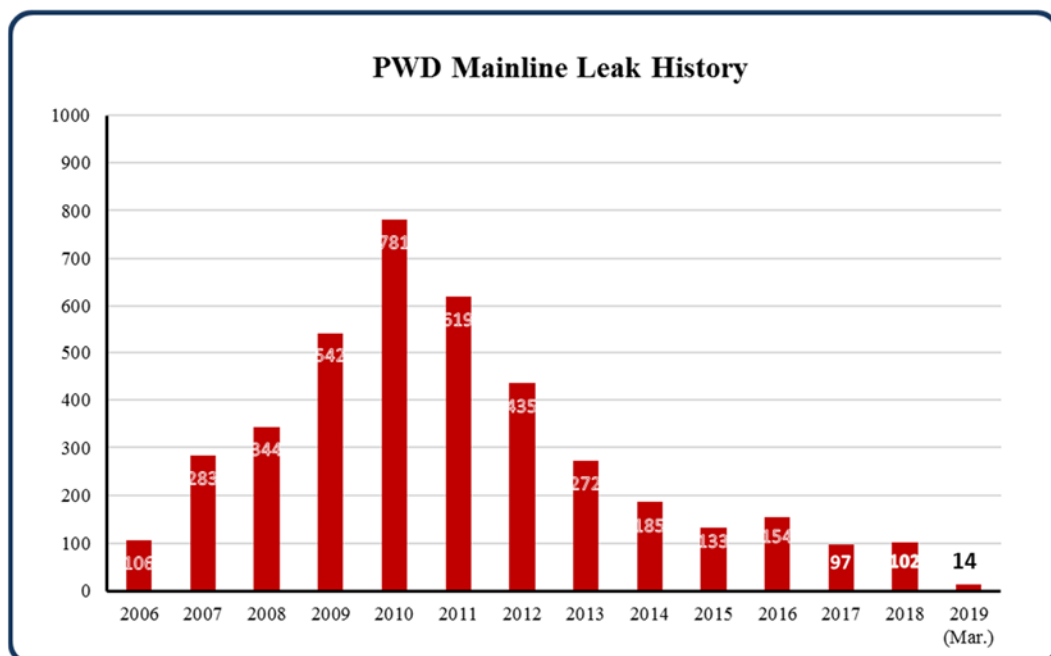
- The District and other members of the Public Water Agencies Group (PWAG) have hired and share the services of an Emergency Preparedness Coordinator. This has already resulted in a successful training held at the District office. More activities, including drills and a review of the Emergency Response Plan, are planned for 2019.
- The Board of Directors and staff completed a cultural survey in 2018. The results show continuing overall improvements in the District's operations. The Mathis Group will assist the Board and staff in following up on the survey and improving the District's operations. The staff Communications Committee has started working with the overall staff to reinforce strong areas from the Survey and help improve the other areas.



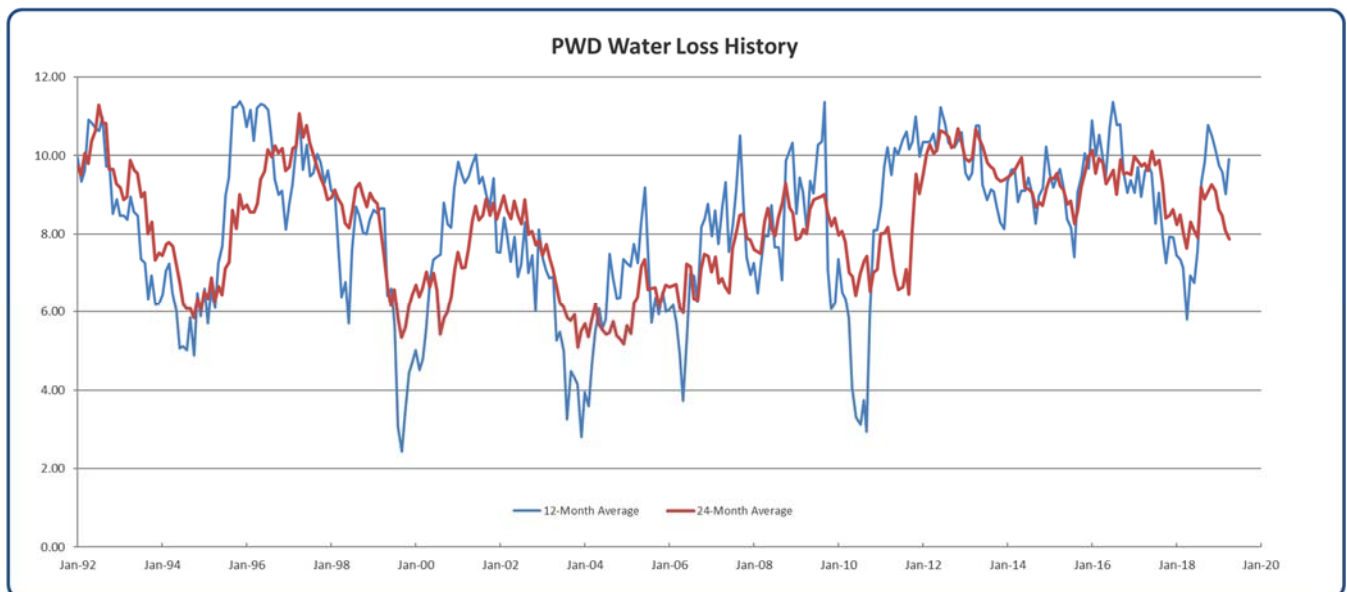
Systems Efficiency

This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of security upgrades for the Leslie O. Carter Water Treatment Plant is operational and complete. Additional cameras are being planned for the two access gates.
- The effects of the District's past efforts in replacing failing water mains and meters can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History." The mainline leaks through March 2019 are 14, and there were 19 service line leaks.



- The 2019 Budget includes replacing approximately 2,800 meters. Staff treats meter replacements similar to how the District contracts for pavement patching with annual bids to perform the work or completing the work with staff as schedules permit.
- Facilities staff is focusing on maintenance activities to incorporate pressure reducing valves, air-vacuum release valves, and other facilities as their efforts can continue to be more preventative due to a lower number of emergency repairs.
- District staff's replacement work for 2019 includes Camares Drive south of Barrel Springs Road, Avenue V-5 west of 47th Street East, and East Avenue P-8 from 20th Street East to 25th Street East.
- The Final Environmental Impact Report for the 2016 Facilities Master Plan, the Master Plan itself, and the revised Capital Improvement Fee were all approved by the Board in 2018. These became effective on February 1, 2019.
- The positive effect of both water main and water meter replacement programs is shown on the chart titled "PWD Water Loss History." The running average for water losses is now under 10%.





Financial Health and Stability

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority. Application packages for further funding have been determined to be complete by the State. A comment letter was also submitted to raise the priority of both projects in the State's funding plan for 2017/2018.

The State is satisfied with resolutions from the City and the District related to the PRWA Phase II funding application for compliance with their repayment requirements. An amendment to the JPA was also completed to tie these into PRWA. The outstanding financing issue is the State's approach to determining the District's Debt Coverage Ratio. They continue to include non-operating expenses into the calculation. Staff and our financial advisor are still working on this issue. PRWA is also trying to obtain completed booster station plans being held by Los Angeles County Waterworks District 40 to complete the Phase II design plans and financing.

Staff is also working with the California Infrastructure Bank for this project. Early discussions show this as a strong possibility to fund the work.

- A new water rate study and Proposition 218 process is planned for 2019. Three proposals were received in March and a recommendation made to the Board to award a contract to RDN. The first staff meetings with RDN are scheduled for mid-April. Staff is also preparing a list of projects expected to be needed over the next five years.
- Engineering/Grant Manager Riley has worked with the Bureau of Reclamation for the acceptance of a Feasibility Report for the Palmdale Regional Groundwater Recharge and Recovery Project and having it eligible for funding. The 2017 competition effort did not result in an award of funds from the Bureau. However, lessons from this submittal will be used in future funding competitions. The current Federal budget proposal makes dramatic cuts to the Bureau's Title XVI Program and makes it highly unlikely to assist the project.
- The final 2019 Budget was approved by the Board on November 13th. The full budget package was completed and published in December 2018.
- Water-Wise Landscape Conversion Program (Cash-for-Grass Program): The District received a \$75,000 Grant from the Bureau of Reclamation in 2017 to assist in funding the Program. The District has fully used the grant funds. The Board approved an application for additional funds in February.



Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- The District staff continues to share the administration of the Antelope Valley Watermaster Board (AVWB) with AVEK and related meetings.
- District staff is active in the local chambers, GAVEA, and area human resources and public information groups.
- The first “PWD Water Ambassador Academy” was conducted on September 19 and 26, October 3 and a tour/graduation on October 6, 2018. The response from them was overwhelmingly positive. The next Academy was successfully completed in March. A high school version of the Academy is also being planned as a one-day event on May 16, 2019.
- The District has joined with other water districts to express concerns with the proposed Statewide water tax over the last two years. It appears the new Governor plans to move forward with the idea, and more discussions are expected this year.



Customer Care and Advocacy

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The ability to make payments at 7-Eleven and Family Dollar Store is also continuing to grow.
- Customer Care office and field staff are crosstraining to better understand the other’s interaction with customers and to improve communication.
- Customers are continuing to take advantage of the District’s electronic payment options. 59% of all payments made by customers were done electronically in 2018.