



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

November 4, 2020

BOARD OF DIRECTORS

ROBERT E. ALVARADO
Division 1

DON WILSON
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

DENNIS D. LaMOREAUX
General Manager

ALESHIRE & WYNDRER LLP
Attorneys



AGENDA FOR REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE OR VIA TELECONFERENCE

FOR THE PUBLIC: VIA TELECONFERENCE ONLY
DIAL-IN NUMBER: 571-748-4021 ATTENDEE PIN: 950-564-225#
Submit Public Comments at: <https://www.gomeet.com/950-564-225>

MONDAY, NOVEMBER 9, 2020

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 Board Meeting held October 26, 2020.
 - 6.2) Payment of bills for November 9, 2020.
- 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 approval of Resolution No. 20-19 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the General Manager or Designee to Represent and Sign on Behalf of the District the Financing Agreement with the State Water Resources Control Board. (No Budget Impact – Assistant General Manager Ly)
 - 7.2) Consideration and possible action on adopting Resolution No. 20-20 being a Resolution of the Board of Directors of the Palmdale Water District: (1) Authorizing a Level of Participation in the Delta Conveyance Project; (2) Authorizing the General Manager to Enter into a Funding Agreement for Environmental Planning Costs for the Project; (3) Authorize Entering into the Delta Conveyance Design and Construction Authority Joint Powers Agreement; and (4) Determining That the Actions are Exempt From CEQA. (No Budget Impact – Resource and Analytics Director Thompson Jr.)
 - 7.3) Consideration and possible action on subscribing to BambooHR as new Human Relations Information System. (\$12,525.00 – Budgeted – Information Technology Manager Stanton/Human Resources Director Emery)
 - 7.4) Consideration and possible action on cancelling the second Regular Board Meeting in December, December 28, 2020, due to the District's scheduled office closure. (No Budget Impact – General Manager LaMoreaux)
 - 7.5) 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 2020 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings; Standing Committee/Assignment Reports; General Report.
 - 8.2) Report of General Manager.

- 8.3) Report of General Counsel.
- 9) Public comments on closed session agenda matters.
- 10) Closed session under:
 - 10.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.
- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) 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: November 3, 2020 **November 9, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Adam C. Ly, Assistant General Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON APPROVAL OF RESOLUTION 20-19 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE GENERAL MANAGER OR DESIGNEE TO REPRESENT AND SIGN ON BEHALF OF THE DISTRICT THE FINANCING AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD. (NO BUDGET IMPACT – ASSISTANT GENERAL MANAGER LY)***

Recommendation:

Staff recommends that the Board approve Resolution No. 20-19 Authorizing the General Manager or Designee to Represent and Sign on Behalf of the District the Financing Agreement With the State Water Resources Control Board (SWRCB).

Alternative Options:

The Board will not approve Resolution No. 20-19 and delay the application.

Background:

The Board approved a contract with Kennedy Communication in June 2020 to work on a grant application to consolidate Alpine Springs Mobile Home Park (Park). There have been several meetings and communications with the State and various parties. Kennedy Communication arranged for a meeting with the SWRCB and has filed a Notice of Exemption for the connection. We are in the process of submitting the grant proposal to the State outlining the Project. A resolution is needed to put together the Financing Agreement as part of the filing of the Managerial, Financial and Technical package.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 3 – Systems Efficiency, Strategic Initiative No. 4 – Financial Health and Stability, and Strategic Initiative No. 5 – Regional Leadership.

This item directly relates to the District’s Mission Statement.

Budget:

No budget impacts.

Supporting Documents:

- Resolution No. 20-19 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the General Manager or Designee to Represent and Sign on Behalf of the District the Financing Agreement With the State Water Resources Control Board

RESOLUTION NO. 20-19
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
AUTHORIZING THE GENERAL MANAGER OR DESIGNEE TO REPRESENT AND SIGN
ON BEHALF OF THE DISTRICT THE FINANCING AGREEMENT WITH THE STATE
WATER RESOURCES CONTROL BOARD

WHEREAS, the Alpine Springs Mobile Home Park is a mobile home park located within the service territory of the Palmdale Water District (“District”); and

WHEREAS, the Alpine Springs Mobile Home Park would like to enter into a Master Meter Consolidation (“Project”) with the District to ensure a safe and reliable water supply; and

WHEREAS, the District is applying for State funding from the State Water Resources Control Board for the Project; and

WHEREAS, if state funding is granted, the District will plan, design and implement the Project. The system improvements include installing a pipeline connecting Alpine Springs Mobile Home Park to the District system.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and are incorporated herein by reference as if set forth in full.

SECTION 2. The District’s General Manager or designee (“Authorized Representative”) is hereby authorized and directed to sign and file, for and on behalf of the District, a Financial Assistance Application for a Financing Agreement from the State Water Resources Control Board for the planning, design and construction of the Project.

SECTION 3. The Authorized Representative is designated to represent the District in carrying out the responsibilities under the Financing Agreement, including certifying disbursement requests on behalf of the District and compliance with applicable State and Federal laws.

PASSED, APPROVED AND ADOPTED on this 9th day of November 2020 by the Board of Directors of the Palmdale Water District.

Vincent Dino, President, Board of Directors
Palmdale Water District

Don Wilson, Secretary, Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder, LLP
Eric Dunn, District General Counsel

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: November 3, 2020 **November 9, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Peter Thompson Jr., Resource and Analytics Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON ADOPTING RESOLUTION NO. 20-20 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT: (1) AUTHORIZING A LEVEL OF PARTICIPATION IN THE DELTA CONVEYANCE PROJECT; (2) AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A FUNDING AGREEMENT FOR ENVIRONMENTAL PLANNING COSTS FOR THE PROJECT; (3) AUTHORIZE ENTERING INTO THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY JOINT POWERS AGREEMENT; AND (4) DETERMINING THAT THE ACTIONS ARE EXEMPT FROM CEQA. (NO BUDGET IMPACT – RESOURCE AND ANALYTICS DIRECTOR THOMPSON JR.)***

Recommendation:

Staff recommends approving Resolution No. 20-20 to (1) authorize a level of participation in the Delta Conveyance Project; (2) authorizing the General Manager to enter into a funding agreement for environmental planning costs for the project; (3) authorize entering into the Delta Conveyance Design and Construction Authority Joint Powers Agreement; and (4) determining that the actions are exempt from CEQA.

The staff recommendation results in the following:

1. Participation in the Delta Conveyance Project of 1.06% (42,875 AF Table-A equivalent).
2. Authorizes the General Manager to execute a Funding Agreement with the Department of Water Resources for environmental planning costs associated with the Delta Conveyance Project to include up to \$3,601,840 in 2021 through 2024 on the District's Annual Statement of Charges.
3. Authorizes the General Manager to execute the Delta Conveyance Design and Construction Authority Joint Powers Agreement.

Impact of Taking No Action:

Palmdale Water District (District) would have no participation in the Delta Conveyance Project (DCP). The District would abstain from the costs and benefits of the DCP. Additionally, not

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 3, 2020

approving the Resolution would have a direct impact on other public water agencies that have State Water Project contracts with the California Department of Water Resources (PWAs), as the other PWA's would have to pick up the District's anticipated share and funding in the DCP planning costs.

Background:

The District has a long-term water supply contract with the California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water. The water delivered under this contract is stored in Lake Oroville, released into the Feather River and then must travel north to south through the Delta before it begins its journey through SWP storage facilities and aqueducts to Lake Palmdale. The Delta portion of the journey has been problematic, as the water must wind its way through in Delta farmland, old levee systems and the habitat of several sensitive species of wildlife. An alternative path for SWP water to the south of Delta facilities has long been sought. The DCP is a project that would capture water just north of the Delta and deliver it through a single 6,000 cfs max capacity tunnel that would travel below and across the Delta to SWP intake facilities south of the Delta. The primary goal of this project is to protect DWR's ability to deliver water south of the Delta to its SWP contractors, including the District. In support of this goal, the DCP would provide the following key benefits:

1. Protection from the potential negative effects of climate change and sea level rise.
2. Improved resilience to seismic events.
3. Reduced impact on the environment, resulting in reduced regulatory risk.
4. Improved future water supply reliability.

Key Elements of the Resolution:

Authorizing a Participation Level in the DCP:

DWR needs all participating PWA's to provide a likely participation level in order to advance the planning work for the DCP. The options for participation are no participation or participation at a share equal to or greater than the District's percentage of SWP Table A. At a minimum, the District's share would be 0.53% of the DCP. Staff is recommending approving a participation level of 1.06%. Increased participation during the planning phase will secure the District the opportunity to participate at the same level during the construction phase. This increased participation would double the water supply reliability benefit of DCP for the District.

Authorizing Entering into the Funding Agreement:

DWR requires that the PWA's fund the prescribed DCP planning costs at their authorized participation level. The District's portion at 1.06% would be \$3,601,840 spread out over four years as follows: \$668,215 for 2021, \$651,917 for 2022, \$1,086,528 for 2023 and \$1,195,181 for 2024. These charges would be spread out monthly on the District's statement of charges from DWR.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

November 3, 2020

The Funding Agreement is for the planning phase only and does not commit the District to any level of participation in DCP construction. Should the project move forward beyond planning, the District will have the opportunity to re-evaluate its participation level.

Authorizing Entering the Delta Conveyance Design and Construction Authority Agreement:

The Delta Conveyance Design and Construction Joint Powers Authority's (DCA) initial purpose was to actively participate with DWR in the design and construction of the California Waterfix. With the shift from Waterfix to DCP, there is a need to amend the DCA Agreement. This amendment would change the governance structure to better reflect the contractors participating in the DCP. The amended Agreement would allow for two representatives from the East Branch Contractors to sit on the Board of the DCA. This would provide the District with representation as the design and construction of the DCP moves forward.

Determining that the Actions are Exempt from CEQA:

The actions taken in this Resolution do not qualify as a "project" under CEQA and are exempt for several additional reasons cited in the Resolution.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No.1 – Water Resource Reliability.

This item is directly related to the District's Mission Statement.

Budget:

There is no budget impact.

Supporting Documents:

- Resolution No. 20-20 being a Resolution of the Board of Directors of the Palmdale Water District: (1) Authorizing a Level of Participation in the Delta Conveyance Project; (2) Authorizing the General Manager to Enter Into a Funding Agreement for Environmental Planning Costs for the Project; (3) Authorize Entering Into the Delta Conveyance Design and Construction Authority Joint Powers Agreement; and (4) Determining That the Actions Are Exempt From CEQA including:
 - Exhibit A-Funding Agreement,
 - Exhibit B-Joint Powers Agreement
- Delta Conveyance Project Proposed New Facilities Map
- PowerPoint Presentation

RESOLUTION NO. 20-20

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT:

(1) AUTHORIZING A LEVEL OF PARTICIPATION IN THE DELTA CONVEYANCE PROJECT; (2) AUTHORIZING THE GENERAL MANAGER TO ENTER INTO A FUNDING AGREEMENT FOR ENVIRONMENTAL PLANNING COSTS FOR THE PROJECT; (3) AUTHORIZE ENTERING INTO THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY JOINT POWERS AGREEMENT; AND (4) DETERMINING THAT THE ACTIONS ARE EXEMPT FROM CEQA

WHEREAS, Palmdale Water District (“Agency”) has a long-term water supply contract with the State of California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water; and

WHEREAS, on July 21, 2017, DWR approved the project known as the California WaterFix, which was a dual conveyance project that involved two new diversion points and two tunnels moving water from the Sacramento River north of the Delta under the Delta to State Water Project and Central Project water pumping facilities in the South Delta; and

WHEREAS, the purpose of the WaterFix project was to improve the reliability of SWP water for the Agency and other contractors; and

WHEREAS, the Agency previously approved participating in WaterFix and participating in a Funding Agreement to pay a share of preconstruction planning activities associated with the WaterFix project; and

WHEREAS, in 2019, Governor Newsom announced that he did not support the WaterFix project, but he instead supported a one tunnel conveyance project. DWR subsequently rescinded its approvals of the WaterFix project and began planning for a single tunnel option; and

WHEREAS, DWR began public negotiations with the SWP contractors to agree upon a framework, referred to as an Agreement in Principle (AIP), for the amendment of SWP water supply contracts to allocate costs and benefits in the event that a potential single tunnel facility is ultimately approved; and

WHEREAS, in January 2020, DWR released a Notice of Preparation of an Environmental Impact Report (EIR) pursuant to CEQA for a proposed single tunnel project with 6,000 cfs of capacity referred to as the Delta Conveyance Project (DCP), and DWR is currently conducting environmental review; and

WHEREAS, after fifteen public negotiations, DWR and SWP contractors have developed a draft AIP that contains provisions for the allocation of costs and benefits for a potential Delta Conveyance Project; and

WHEREAS, DWR has requested that the Agency identify the level of its desired participation in the DCP assuming a 6,000 cfs facility, which will be used to inform the percentage of planning funding allocated to the Agency; and

WHEREAS, DWR has also requested that the Agency enter into a new Funding Agreement with DWR for an amount equal to the Agency's participation percentage of the preliminary design, environmental planning, and other preconstruction activities for DCP, which is up to \$3,601,840; and

WHEREAS, the Delta Conveyance Design and Construction Authority (DCA) was created by certain SWP contractors to actively participate with DWR in the design and construction of the California WaterFix. The DCA subsequently entered into a Joint Powers Agreement with DWR; and

WHEREAS, given the shift from a two tunnel WaterFix project to a potential single-tunnel DCP project and a significant change in the anticipated participation for DCP, the existing and prospective members of the DCA desire to amend the DCA Joint Powers Agreement to better align representation with Public Water Agency ("PWA") participation; and

WHEREAS, the recommended actions do not qualify as a "project" subject to CEQA because the actions constitute (1) continuing administrative or maintenance activities, such as general policy and procedure making; (2) government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment; and (3) organizational or administrative activities of a public agency that will not result in direct or indirect physical changes in the environment. (State CEQA Guidelines, § 15060(c)(3).) The recommended actions do not constitute an approval by the Agency of the DCP nor do the actions authorize or approve construction of the DCP. The recommended actions do not authorize any amendment to the long-term water supply contract with DWR. Further, the recommended actions do not authorize or approve any actions by the DCA that may cause direct or reasonably foreseeable indirect environmental impacts. As such, the actions recommended herein are not a "project" requiring environmental review under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guideline § 15378, subdivisions (a) and (b)(2), (b)(4) and (b)(5).

WHEREAS, even if the actions were considered a CEQA "project," these actions would be statutorily exempt from environmental review pursuant to CEQA Guideline § 15262 because the actions merely call for the funding and completion of feasibility and planning studies, including the completion of CEQA review itself. In addition, the actions are exempt under the "common sense" exemption in CEQA Guidelines § 15061, subd. (b)(3) because it can be seen with certainty that there is no possibility that the actions may have a significant effect on the environment. Finally, none of the exceptions to the use of the "common sense" exemption as identified in CEQA Guidelines § 15300.2 exist here.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT:

1. The above recitals are true and correct and are incorporated herein by reference as an operative portion of this Resolution.
2. The General Manager is authorized to inform DWR that the Agency desires to participate in the Delta Conveyance Project at a 1.06% participation level.
3. The General Manager is authorized to execute a Funding Agreement with DWR for environmental planning costs associated with the Delta Conveyance Project in the amount of up to \$3,601,840. The Funding Agreement is attached as Exhibit A.
4. The General Manager is authorized to execute a Joint Powers Agreement to become a member of the Delta Conveyance Design and Construction Authority. The Joint Powers Agreement is attached as Exhibit B.
5. For the reasons set forth above, the Agency's actions are not a "project" requiring environmental review pursuant to State CEQA Guidelines § 15060, subdivision (c)(3) and §15378, subdivisions (a) and (b)(2), (b)(4) and (b)(5). Alternatively, the actions are statutorily exempt from CEQA review pursuant to State CEQA Guidelines § 15262 and exempt under the "common sense" exemption identified in State CEQA Guidelines § 15061, subdivision (b)(3). None of the exceptions to the use of the "common sense" exemption as identified in Government Code § 15300.2 exist.
6. Agency staff is directed to prepare and file a Notice of Exemption within five working days of the approval of this Resolution.
7. The custodian of the records upon which this Resolution is based is the General Manager, who may be contacted at the Agency's office, located at 2029 East Ave Q Palmdale, CA 93550.

PASSED, APPROVED AND ADOPTED on this 9th day of November 2020 by the Board of Directors of the Palmdale Water District.

Vincent Dino, President, Board of Directors
Palmdale Water District

Don Wilson, Secretary, Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder, LLP
Eric Dunn, District General Counsel

Exhibit A

**State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES**

**AGREEMENT FOR
THE ADVANCE OR CONTRIBUTION OF MONEY TO
THE DEPARTMENT OF WATER RESOURCES
BY
THE PALMDALE WATER DISTRICT**

**FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A
POTENTIAL DELTA CONVEYANCE PROJECT**

THIS AGREEMENT is made, pursuant to the provisions of all applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources (“Department” or “DWR”), and the Palmdale Water District (“Contractor”), each herein referred to individually as a “Party” and collectively as the “Parties”.

Recitals

WHEREAS, DWR and the Contractor listed on the signature page hereto have entered into and subsequently amended a long-term water supply contract, herein referred to as a “Water Supply Contract,” providing that DWR will supply certain quantities of water to the Contractor, providing that Contractor shall make certain payments to DWR, and setting forth the terms and conditions of such supply and such payments; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) process was initiated in 2005-2006 and the Delta Habitat Conservation and Conveyance Program (“DHCCP”) was initiated in 2008; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) and (“DHCCP”) resulted in development of a project known as the California WaterFix (“WaterFix”); and

WHEREAS, on July 21, 2017, DWR approved the California WaterFix project; and

WHEREAS, certain Contractors have entered into that certain Joint Powers Agreement dated May 14, 2018 forming the Delta Conveyance Design and Construction Authority (“DCA”); and

WHEREAS, DWR and DCA have entered into that certain Joint Powers Agreement (“JEPA”), dated May 22, 2018, as amended and restated, and as the same has or may be further amended, wherein the DCA will provide preliminary design, planning and other preconstruction activities to assist the environmental planning process for a potential Delta conveyance project under the supervision of DWR (the “Work” as defined in the JEPA); and

WHEREAS, a copy of the resolution of the Board of Directors of Contractor authorizing its General Manager to execute this Agreement is attached hereto as Exhibit A; and

WHEREAS, a State Agency may advance or contribute funds to DWR for SWP purposes pursuant to Water Code section 11135 and (ii) DWR may accept such advanced or contributed funds and thereafter use such funds in accordance with the terms of this Agreement pursuant to Water Code section 11141; and

WHEREAS, DWR and Contractor desire to enter into this funding Agreement to provide for the contribution or advance of funds to DWR and authorize the use of the contributed funds for purposes related to environmental review, planning and design of a Delta conveyance project as described below.

AGREEMENT

NOW, THEREFORE, it is mutually agreed by the Parties as follows:

1. When used in this Agreement, terms defined in the Water Supply Contract (as defined herein) shall be defined by reference to the Water Supply Contractor. In addition, the following definitions shall apply:
 - a. **“Calendar Year”** means the period January 1 through December 31.
 - b. **“Contributed Funds”** means money contributed or advanced to DWR by Contractor pursuant to this Agreement. The total initial amount Contractor agrees to provide is \$3,601,840 and is comprised of the following annual amounts to be paid to DWR in the manner described in Section 5 of this Agreement are \$668,215 for 2021, \$651,917 for 2022, \$1,086,528 for 2023 and \$1,195,181 for 2024.
 - c. **“Contribution Payment(s)”** means the payments of Contributed Funds that Contractor agrees to provide to DWR pursuant this Agreement
 - d. **“Contractor”** means a State Agency that is a party to a Water Supply Contract with DWR.
 - e. **“Department”** or **“DWR”** means the California Department of Water Resources.
 - f. **“Effective Date”** has the meaning ascribed to it in section 11 hereof.
 - g. **“JEPA”** means the Joint Exercise of Powers Agreement between DWR and the DCA dated May 22, 2018, as amended and restated and as may be further amended from time to time.

- h. **“Pay-Go Charge”** means the charge included on Contractor’s Statements of Charges for the purpose of collecting Contributed Funds that Contractor agrees to advance or contribute to DWR pursuant to this Agreement.
 - i. **“Party”** or **“Parties”** means DWR, the undersigned Contractor, or all signatories to this Agreement.
 - j. **“State Agency”** has the meaning ascribed to it by Water Code section 11102.
 - k. **“SWP”** or **“State Water Project”** means the State Water Project operated by DWR. The SWP generally includes the State Water Facilities, as defined in California Water Code section 12934(d), and certain facilities authorized by the Central Valley Project Act at section 11100 *et. seq.*
 - l. **“Water Supply Contract”** means the long-term water supply contract, as amended and as may be amended in the future, between Contractor and DWR.
 - m. **“Work”** has the meaning ascribed to it in the Recitals to this Agreement.
- 2. Effect of Agreement. DWR and Contractor agree that nothing in this Agreement supersedes previous funding agreements or the obligations under those funding agreements unless specifically addressed in this Agreement.
 - 3. Purposes of Agreement. This Agreement documents Contractors agreement to provide Contributed Funds to DWR for the purposes set forth in Section 4, the manner of providing those funds as set forth in Section 5, and the means by which future contributions may be made.
 - 4. Use of Funds. DWR shall use the Contributed Funds and any future Contributed Funds collected from Contractor pursuant to section 5 hereof, for the payment of DCA invoices submitted to DWR on or after October 1, 2020 for the Work done or costs incurred by DCA, or for Delta conveyance project planning work done by DWR through the Delta Conveyance Office (“DCO”) and any other purpose consistent with the JEPA, as the same has been, and may be, amended from time to time. DWR will not use funds provided under this Agreement for the activities described in the Mitigated Negative Declaration for Soil Investigations for Data Collection in the Delta adopted by DWR on July 9, 2020.
 - 5. Charge Procedure. Contractor shall pay its Pay-Go Charge on the date(s) and in the amount(s) set forth on the revised Statement of Charges for 2021, and subsequent Statements of Charges issued to Contractor by DWR. The annual amounts will be paid in twelve monthly installments. Contractor may agree, without amending this Agreement, to advance additional funds after the Effective Date, which shall be considered Contributed Funds, by delivery to DWR of a letter in substantially the form attached hereto as Exhibit B, which letter shall specify the amount to be advanced or contributed, whether the payments will be in the form of one or more lump sums or in 12 equal installments, and together with such other information the Parties deem necessary or desirable to effectuate

the advance or contribution. A copy of the resolution, or other Board authorization, of Contractor's Board of Directors approving the subject contribution shall be enclosed with the letter. Upon receipt of a contribution letter DWR shall indicate its agreement by returning a counter signed copy of the letter to Contractor. The agreed upon advance or contribution shall thereafter be included in Contractor's Statement of Charges or a revised Statement of Charges, as appropriate. The charge shall be designated by reference to the year in which the charge is to begin, followed, if there be more than one such subsequent advance or contribution in a year by a dash and an integer followed by the words Pay-Go Charge.

6. Limitation. With respect to the Work and the DCA, nothing in this Agreement imposes any duty or obligation either expressly or by implication on DWR other than the duty to use Contributed Funds to pay the undisputed portion of DCA invoices submitted to DWR during the term of this Agreement in accordance with the terms of this Agreement and the JEPA if, as and when Contributed Funds have been received by DWR under this Agreement and other similar agreements or arrangements with other Contractors for purposes substantially the same as those described herein and is available for the payment thereof.
7. Reporting. DWR, through its DCO and in coordination with its State Water Project Analysis Office (SWPAO), shall annually prepare a report summarizing the advances or contributions received, and expenditures made pursuant to, this Agreement. The first such report shall be completed not later than March 31, 2021 and thereafter not later than March 31 of each subsequent year. Contractor may request in writing a summary of the advances, contributions, and expenditures at any time during the term of this Agreement and DWR shall provide such within thirty (30) days of such written request.
8. Status of Project. Contractor recognizes that the funds contributed pursuant to this Agreement are for the planning activities in support of DWR's environmental review and permitting process, including but not limited to the Work, for a potential Delta Conveyance project. The advance or contribution of Contributed Funds is not contingent on, or in exchange for, DWR's agreement to exercise its discretion in future to approve a Delta conveyance project.
9. Unspent Funds. Upon termination of this Agreement, it is the intent of the Parties that any unspent Contributed Funds remaining after payment of all costs for which the funds were contributed will be returned to Contractor as a credit on Contractor's Statement of Charges in proportion to its percentage share of advances or contributions made by all Contractors that entered into Agreements similar to this Agreement.
10. Reimbursement of Contributed Funds. If a Delta conveyance project is approved by DWR and is implemented it is the intent of the Parties hereto that the Contributed Funds spent in accordance with this Agreement be reimbursed or credited to Contractor according to the relative amount each such Contractor paid pursuant to this Agreement, upon the issuance and sale of revenue bonds by either the Department or a Joint Powers Authority established , whichever occurs earlier, for the purpose of, among other things, funding a future Delta conveyance facility. The Department shall be under no obligation to issue and sell bonds

for the purpose(s) described in the foregoing sentence or to undertake any reimbursement or credit as so described, unless a determination is first made by DWR in its sole discretion that such issuance and sale of revenue bonds, such reimbursement, or such credit as applicable is consistent with applicable law, applicable judicial rulings, and applicable contractual obligations of DWR, and the Parties have negotiated and executed such further agreements as may be necessary to accomplish such credit or reimbursement on terms acceptable to DWR.

11. Effective Date and Term. This Agreement shall become effective on the date the last Party hereto signs the Agreement as set forth on the signature page(s) hereto ("Effective Date") and shall continue in effect until terminated in writing by the Parties. The Parties obligations under Section 10 shall survive termination of this Agreement.
12. Invoices, Notices or Other Communications. All invoices, notices, or other communications required under this Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (i) served personally on the Party to whom notice is to be given; (ii) sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (iii) on the third day after mailing, if mailed to the Party to whom invoice, notice or other communication is directed, by first-class mail, postage prepaid, and properly addressed to the designated representative(s) of the Party set forth below.

DWR: Pedro Villalobos
Chief, State Water Project Analysis Office
Department of Water Resources
1416 Ninth Street, Room 1620
Post Office Box 94236
Sacramento, California 94236-0001

Copy to
Anthony Meyers
Executive Director, Delta Conveyance Office
Department of Water Resources
901 P Street, Room 413
Sacramento, California 94236-0001

Copy to
Christopher Martin
Office of the Chief Counsel
Department of Water Resources
1416 Ninth Street, Room 1620
Post Office Box 94236
Sacramento, California 94236-0001

Contractor:

Copy to:
Dennis LaMoreaux
General Manager
Palmdale Water District
2029 East Ave Q
Palmdale, CA 93550

13. No Delegation of Authority. Nothing in this Agreement constitutes a delegation by any Party of its existing authority to make any decision it is mandated to make. Nothing in this Agreement shall limit DWR's final decision-making authority at the time of consideration of future Delta conveyance facility related approvals. All provisions of this Agreement are intended to be, and shall to the extent reasonable be interpreted to be, consistent with all applicable provisions of State and federal law. The undersigned recognize that the Parties are public agencies and have specific statutory responsibilities, and that actions of these public agencies must be consistent with applicable procedural and substantive requirements of State and federal law. Nothing in this Agreement is intended to, nor will have the effect of, constraining or limiting any public agency in carrying out its statutory responsibilities or requiring an agency to take any action inconsistent with applicable law. Nothing in this Agreement constitutes an admission by any Party as to the proper interpretation of any provision of law, nor will it have the effect of, waiving or limiting any public entity's rights and remedies under applicable law except as expressly provided elsewhere in this Agreement. Execution of this Agreement does not constitute pre-approval of any project or preferred project alternative, or waive or otherwise abridge responsible trustee duties required, or discretion authorized or granted by, State and federal law.
14. Amendment. Except as otherwise set forth above, this Agreement may only be amended or modified by a subsequent written agreement approved and executed by both Parties.
15. Applicable Law. This Agreement will be construed under and will be deemed to be governed by the laws of the United States and the State of California.
16. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreement, either oral or written, that may be related to the subject matter of this Agreement.
17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. Each signing Party shall have received a copy of the signature page signed by every other Party.

Exhibits attached and incorporated herein:

Exhibit A Board Resolution or other Board Authorization
Exhibit B Form of Letter Regarding Future Contributions

IN WITNESS WHEREOF, the Parties hereto, by their authorized representatives, have executed this Agreement on the date(s) set forth below.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Spencer Kenner, Chief Counsel

Karla A. Nemeth,
Director

Date

Date

Approved as to Legal Form
and Sufficiency

Palmdale Water District

Signature

Signature

Printed Name

Printed Name

Date

Title

Date

Exhibit A

Resolution of the Board of Directors of Contractor

Exhibit B

Form of Contribution Letter

[date]

[address]

Re: Contribution or Advance of Money for Delta Conveyance Planning Activities

Dear Mr. Villalobos:

This letter is sent pursuant to section 5 of the Agreement for the Advance of Contribution of Money to the Department of Water Resources for Preliminary Planning and Design Costs Related to a Potential Delta conveyance Project dated _____, 2020 between Department of Water Resources and the Palmdale Water District ("Funding Agreement").

On [date] the Board of Directors of Palmdale Water District approved the contribution or advance of \$3,601,840 to the Department for use in accordance with the terms of the Funding Agreement. A copy of the Board's resolution is enclosed with this letter. The contribution or advance will be collected from Palmdale Water District in equal monthly installments by inclusion of a charge on its Statement of Charges for 2021 that Department will issue to Palmdale Water District. The charge shall be referred to as the 2021 Pay-go Charge. As provided by section 5 of the Agreement the contribution or advance described herein will be subject to the terms and conditions of the Agreement.

Please confirm your agreement to the foregoing by countersigning in the space provided below and returning an original copy of this letter agreement to Palmdale Water District at 2029 East Ave Q Palmdale, CA 93550.

[signature blocks for agency and Department]

Enclosure(s)

cc: Anthony Meyers, Executive Director of Delta Conveyance Office

Exhibit B

AMENDED AND RESTATED JOINT
POWERS AGREEMENT
FORMING
THE DELTA CONVEYANCE DESIGN AND
CONSTRUCTION JOINT POWERS
AUTHORITY

Effective _____, 2020

**Joint Powers Agreement –
The Delta Conveyance Design and Construction Joint Powers Authority**

This AGREEMENT is made and entered into by and among the parties on the attached Exhibit A, which are referred to herein individually as a “Party” and collectively as “Parties”.

RECITALS

WHEREAS, each of the Parties is a public agency organized and operating under the laws of the State of California; and

WHEREAS, California Government Code Sections 6500, et seq., (“Act”) provide that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Government Code section 6584 also confers powers on a joint powers agency that are independent of, complete and supplementary to any common powers delegated in a joint powers agreement; and

WHEREAS, the Parties desire to allow for the protection of both the Sacramento-San Joaquin Delta (“Delta”) ecosystem and the more than 25 million people and 2,000,000 acres of highly productive farm land that currently depend upon water conveyed through the Delta; and

WHEREAS, the Parties desire to provide such protections, in part, through improvements in water infrastructure; and

WHEREAS, the California Department of Water Resources (“DWR”) is a department within the State of California Natural Resources Agency and is responsible for constructing, operating, and maintaining the State Water Resource Development System, more commonly known as the State Water Project (“SWP”), and

WHEREAS, DWR desires to design and construct new Delta water conveyance facilities (“Conveyance Project”) to be owned and operated by DWR, that would convey water from the Sacramento River north of the Delta directly to the existing SWP and, potentially, Central Valley Project (“CVP”) facilities located in the south Delta, and

WHEREAS, the purposes of the Conveyance Project are to make physical and operational improvements to the SWP and, potentially, the CVP necessary to: protect and maintain ecosystem health; maintain water quality; and restore and protect water supplies so that the SWP and CVP are capable of readily delivering water within a stable regulatory framework at costs that are not so high as to preclude, and in amounts that are sufficient to support, the financing of the investments necessary to fund construction and operation of facilities and/or improvements, and

WHEREAS, the Parties constitute certain public water agencies that will each bear at least some of the financial obligation the Conveyance Project, and

WHEREAS, the Parties desire that the Conveyance Project be completed in a safe, timely, cost-effective and efficient manner, and

WHEREAS, DWR has determined that the timely and efficient design and construction of the Conveyance Project will require additional resources not available to DWR and that, therefore, it is in the best interest of the State of California and its citizens to partner with the Parties in the design and construction of the Conveyance Project; and

WHEREAS, the Delta Conveyance Design and Construction Joint Powers Authority (“Construction Authority”) proposes to enter into an agreement with DWR establishing that the Construction Authority will undertake those activities required to complete the design and construction of the Conveyance Project; and

WHEREAS, the agreement with DWR is intended to obtain cost savings by allowing more flexible means of designing, contracting, constructing, and financing the Conveyance Project; and

WHEREAS, the Parties each have and possess the powers to design, construct, and implement water infrastructure projects; and

WHEREAS, the Parties each desire to exercise those powers regarding the design and construction of the Conveyance Project as provided in the Joint Exercise of Powers Agreement between the Department of Water Resources and the Construction Authority, and

WHEREAS, the aforementioned activities may best be achieved through the cooperative action of the Parties operating through a joint powers authority; and

WHEREAS, the Parties intend that upon acceptance of the Conveyance Project by DWR, the Construction Authority will be dissolved.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties agree as follows:

ARTICLE I: DEFINITIONS

For the purpose of this Agreement, the meaning of the terms hereinafter set forth shall be the following:

1.1 “Addenda” means any addenda, amendments, modifications, supplements or exhibits to the Agreement that are executed, approved or added in accordance with the terms of this Agreement after the Effective Date.

1.2 “Agreement” means this Joint Powers Agreement, including Exhibit A attached, which creates the Delta Conveyance Design and Construction Joint Powers Authority.

1.3 “Alternate Director” means an Alternate Director of the Board appointed in accordance with Article VI (**DIRECTORS AND OFFICERS**).

1.4 “Applicable” means applicable as determined by the Board or an Officer, whichever is appropriate, in their sole discretion.

1.5 “Article” means an article of this Agreement and, unless otherwise specified, refers to all Sections within that article.

1.6 “Board” or “Board of Directors” means the governing body of the Delta Conveyance Design and Construction Joint Powers Authority.

1.7 “Central Valley Project” or “CVP” means the federal reclamation project operated by Reclamation pursuant to federal reclamation law (Act of June 17, 1902 (32 Stat. 388)) and acts amendatory or supplementary thereto.

1.8 “Class or Classes of Members” means the following for purposes of this Agreement:

- Class 2: Those Members who are entitled to the delivery of State Water Project water along the South Bay Aqueduct, except Santa Clara Valley Water District..
- Class 3: Those Members who are entitled to the delivery of State Water Project water within the San Joaquin Valley, except Kern County Water Agency.
- Class 5: Those Members who are entitled to the delivery of State Water Project water along the Coastal Aqueduct downstream of the Devil’s Den Pumping Plant.
- Class 7: Those Members who are entitled to the delivery of State Water Project water along the West Branch of the California Aqueduct, except the Metropolitan Water District of Southern California.
- Class 8: Those Members who are entitled to the delivery of State Water Project water along the East Branch of the California Aqueduct, except the Metropolitan Water District of Southern California.

1.9 “Construction Authority Stand Up Costs” mean the stand up costs for the Construction Authority as described in Article XII (**BUDGET AND EXPENSES**) of this Agreement.

1.10 “Contracted Proportionate Share” means the percentage of Conveyance Project costs and benefits that a Member has contracted for under a Long Term Water Supply Contract with DWR, or the percentage of Conveyance Project planning funding that a Member has contracted with DWR to fund.

1.11 “Conveyance Project” means the project described in the Department of Water Resources Notice of Preparation dated January 15, 2020.

1.12 “Delta” has the meaning set forth in the Recitals.

1.13 “Delta Conveyance Design and Construction Joint Powers Authority” or “Construction Authority” means the public agency created by this Agreement.

1.14 “Director” means a Director of the Board appointed in accordance with Article 6 (Directors and Officers).

1.15 “DWR” has the meaning set forth in the Recitals.

1.16 “Effective Date” means the date set forth in Section 3.1.

1.17 “Member” means a public entity that satisfies the requirements of Article V (**MEMBERSHIP**) of this Agreement.

1.18 “Members” mean all of the public entities that satisfy the requirements of Article V (**MEMBERSHIP**) of this Agreement.

1.19 “Officer” means an Officer of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.2.

1.20 “President” means the President of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.3.

1.21 “Reclamation” means the United States Bureau of Reclamation.

1.22 “Secretary” means the Secretary of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.3.

1.23 “Section” means a section, subsection or sub-subsection within an Article of this Agreement and, unless otherwise specified, refers to all numbered and lettered divisions within that section, subsection or sub-subsection.

1.24 “State” means the State of California.

1.25 “State Water Project” or “SWP” means the State Water Facilities, as defined in California Water Code section 12934(d).

1.26 “Treasurer” means the Treasurer of the Conveyance Project Coordination Agency appointed in accordance with Section 6.3.

1.27 “Vice-President” means the Vice-President of the Delta Conveyance Design and Construction Joint Powers Authority appointed in accordance with Section 6.7.

ARTICLE II: CREATION OF THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION JOINT POWERS AUTHORITY

There is hereby created pursuant to the Joint Exercise of Powers Act, California Government Code section 6500 *et seq.*, a public entity to be known as the “Delta Conveyance Design and Construction Authority.” Delta Conveyance Design and Construction Joint Powers Authority shall be a public entity separate from its Members.

ARTICLE III: TERM

This Agreement shall become effective when at least two Members (1) execute this Agreement and (2) agree there is sufficient representation to fund the Construction Authority’s Stand Up Costs.

This Agreement shall remain in effect until terminated pursuant to the provisions of Article XIV (**WITHDRAWAL OF MEMBERS**) of this Agreement.

ARTICLE IV: PURPOSES AND POWERS

4.1 Purpose. The purpose of this Agreement is to establish a public entity separate and apart from its Members to undertake those activities required to complete the design and construction of the Conveyance Project.

4.2 Powers. The Construction Authority shall have the power in the name of the Construction Authority to exercise those common powers, and all independent, complete and/or supplementary powers authorized by Government Code section 6584 *et. seq.* or as otherwise authorized by law, necessary or appropriate to design and construct the Conveyance Project including, but not limited to, the following:

- 4.2.1 To make and enter into contracts necessary for the full exercise of the Construction Authority powers;
- 4.2.2 To incur debts, liabilities, or obligations subject to the limitation herein set forth;
- 4.2.3 To acquire real or personal property, including, without limitation, by purchase, lease, gift, bequest, or devise, to hold, manage, lease and dispose of any such property;
- 4.2.4 To hold, manage, operate and maintain all Construction Authority property, facilities, buildings, structures, vehicles, apparatus and equipment;
- 4.2.5 To contract for the services of engineers, attorneys, technical specialists, financial consultants, and to employ such other persons as it deems necessary;

- 4.2.6 To apply for, accept, and receive state, federal or local licenses, permits, grants, loans, or other aid from any agency of the United States, the State or other public or private entities as the Construction Authority deems necessary for the full exercise of its powers;
- 4.2.7 To undertake any investigations, studies, and matters of general administration;
- 4.2.8 To develop, collect, provide, and disseminate to the Members and others information that furthers the purposes of the Construction Authority;
- 4.2.9 To sue and be sued in its own name;
- 4.2.10 To receive gifts, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and any governmental entity;
- 4.2.11 To procure bonds, insurance and self-insurance as it deems advisable to protect the Parties and Construction Authority and its property, officers, employees, contractors and agents;
- 4.2.12 To perform all acts necessary or proper to carry out fully the purposes of this Agreement; and
- 4.2.13 To also exercise the independent, complete and/or supplementary powers of a joint powers agency, as provided by law.

4.3 To the extent required under Government Code section 6509, the Construction Authority shall exercise its powers in the manner and according to the methods provided under the laws applicable to the Metropolitan Water District of Southern California. This designation may be changed by approval of the Board.

4.4 Except as expressly provided herein, nothing in this Agreement shall be construed as affecting the rights or obligations of the Parties, including but not limited to any rights or obligations pursuant to contracts for delivery of water from the CVP or SWP.

ARTICLE V: MEMBERSHIP

5.1 Members. Membership in the Construction Authority shall be limited to those public entities (1) that possess the common powers described in Article IV (**PURPOSES AND POWERS**) of this Agreement, (2) that will bear at least some of the financial obligation for the Conveyance Project, and (3) that execute this Agreement within five (5) months of it becoming effective and any addenda thereto. The Members will be listed in Exhibit A and, upon direction from the Board, Exhibit A may be modified without constituting an amendment to this Agreement.

5.2 New Members. It is recognized that entities, other than the original Members may wish to participate in the Construction Authority. Additional entities may become Members

of the Authority upon such terms and conditions as provided by the Board upon affirmative vote of a majority of Directors.

ARTICLE VI: DIRECTORS AND OFFICERS

6.1 Board of Directors. The Construction Authority shall be governed by a Board of Directors.

6.1.1 Directors Representing SWP Contractor Members. The Construction Authority shall have up to seven (7) Directors and seven (7) Alternative Directors, with each pair appointed by and representing the following Members:

- i. Metropolitan Water District of Southern California (State Water Project)
- ii. Kern County Water Agency
- iii. Santa Clara Valley Water District
- iv. Class 8 Members
- v. Class 8 Members
- vi. Class 2 Members
- vii. Class 3, 5 and 7 Members.

6.1.2 On or before July 1 of each year, Members and the Classes of Members for each Board of Director seat shall provide to the Construction Authority in writing the names of the Directors and Alternative Directors for each group identified in 6.1.1 for the year.

6.1.3 Directors and Alternative Directors shall receive such compensation from the Authority for services as may from time to time be established by the Board. In addition, Directors and Alternative Directors shall be reimbursed for expenses incurred by such Director or Alternative Directors in the conduct of the Construction Authority's business.

6.1.4 The names of all Directors and Alternative Directors shall be on file with the Board.

6.1.5 (a) For those Board of Director positions representing one Member, the Directors and Alternative Directors shall be directors, officers or employees of the Member or class of Members he or she represents.

(b) For those Board of Director and Alternate Director positions representing more than one Member, one shall be an elected director, officer or employee of the represented Members, and one shall be an employee of the represented Members. Notwithstanding the previous sentence, both Directors may be an elected director, officer, or employee of the represented Members if at least 80% of the Total Contracted Proportionate Share of all the Members represented by a respective Board position agree to such.

- 6.1.6 The vote, assent, or approval of the Member for the appointment of the Director and Alternate Director shall be evidenced by a copy of the resolution of the governing board, the board minutes of the relevant meeting, or a letter of the governing board or executive officer of the Member or an association of a class of Members filed with the Construction Authority.
- 6.1.7 Process to Fill Vacancies. In the event of a vacancy on the Board, the Member, Class of Members, or Classes of Members for which the Board vacancy exists shall fill such vacancy according to reasonable procedures determined by the Construction Authority consistent with this Article VI (**DIRECTORS AND OFFICERS**).
- 6.1.8 Each Director and Alternate Director shall hold office from the first meeting of the Board after his or her appointment by the Member, Class of Members, or Classes of Members he or she represents until a successor is selected and the Construction Authority is notified.
- 6.1.9 Directors and Alternate Directors serve at the pleasure of the Member, Class of Members, or Classes of Members. A Director and Alternate Director office shall be declared vacant if the person serving dies, resigns, the Member the Director or Alternate Director serves withdraws from this Agreement, the membership of the Member the Director or Alternate Director serves is terminated, or whenever, at the discretion of the particular Member, Class of Members, or Classes of Members, the Director or Alternative Director is incapable of serving. Upon the Director office becoming vacant, the Alternate Director, if the office is not vacant, shall serve as Director, until the Member, Class of Members, or Classes of Members appoint a Director.
- 6.1.10 All the power and authority of the Construction Authority will be exercised by the Board, subject however to the rights reserved by the Members as herein set forth; provided, however, that the Board may delegate such powers and authority to the President or Executive Director as the Board may determine by motion, resolution or ordinance. The Board may also appoint and delegate such powers and authority to advisory committees or subcommittees composed of Directors and Officers as the Board may determine by motion, resolution or ordinance.
- 6.1.11 The Board may adopt from time to time such bylaws, rules and regulations for the conduct of its affairs as may be required.

6.2 Officers. Officers of the Construction Authority shall be a President, Vice President, Secretary, and Treasurer. Any number of offices may be held by the same person provided that the President shall not also serve as the Vice President, Secretary, or Treasurer. The Vice President, or in the Vice President's absence, the Secretary shall exercise all powers of the President in the President's absence or inability to act. The President, the Vice President, and

the Secretary must be members of the Board of Directors. The President shall chair meetings of the Board. In the absence of the President, the Vice President shall be the chair such meetings. In the absence of the President and Vice President, the Secretary shall chair the meeting.

6.3 Appointment of Officers. Officers shall serve two (2) year terms and, except for the offices of President and Vice President, serve at the pleasure of the Board. As provided for in Article VII (**BOARD MEETINGS**) of this Agreement, the Secretary and Treasurer shall be chosen at the initial Board meeting or as soon as practical thereafter. The Secretary and Treasurer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Board.

6.3.1 The offices of President and Vice President shall be selected and serve at the pleasure of the Board.

ARTICLE VII: BOARD MEETINGS

7.1 Initial Meeting. The initial meeting of the Board of Directors shall be held within 15 days of completion of the appointments of initial Directors and Alternative Directors, and held in Sacramento, California. The Board shall, at its first meeting or as soon thereafter as practicable, appoint the Secretary and Treasurer, and select an Auditor. Unless changed by the Board, the principle office of the Construction Authority shall be located in Sacramento County.

7.2 Time and Place. The Board shall meet at least twice per year at a time and place set by the Board, and at such other times as may be determined by the Board.

7.3 Special Meetings. Special meetings of the Directors may be called by the President or a majority of all the Directors.

7.4 Conduct. All meetings of the Board, including special and emergency meetings, shall be noticed, held, adjourned, and conducted in accordance with the Ralph M. Brown Act, to the extent applicable. The Board and Alternate Directors may use tele-conferencing or video-conferencing in connection with any meeting in conformance with and to the extent authorized by the applicable laws.

ARTICLE VIII: MEMBER VOTING

8.1 Quorum. A quorum of any meeting of the Board shall consist of a majority of the Directors. In the absence of a quorum, any meeting of the Board may be adjourned from time to time by a vote of a majority present, but no other business may be transacted.

8.2 Director Votes. Each Director shall have one (1) vote. All decisions by the Board shall be made by a majority vote of all the Directors.

8.2.1 Requests to Reconsider. Any Director may move to reconsider any action that pertains to items contained in Article XII (**BUDGET AND EXPENSES**) including, but not limited to, the issuance of notes or other forms of indebtedness, including entering into leases for real property or equipment, the approval or modification of the annual budget, and for

construction contracts 10 million dollars or more or service contracts that exceed 1 million dollars over the life of the contract. A request for reconsideration must be made at the meeting the item is being considered. If a request for reconsideration is made, it must be agendaized for the following meeting, which may not be less than 14 days and not more than 30 days from the date of the original action. In the event of such a request, that action shall be deemed suspended. If at least 70 percent of the Contracted Proportionate Share votes against the action at the meeting it is reconsidered, the original action shall be deemed disapproved.

- 8.2.2 Determination of Contracted Proportionate Share. For purposes of determining Contracted Proportionate Share for section 8.2.1, the Contracted Proportionate Share for those Board of Director positions representing more than one Member shall be the combined Contracted Proportionate Share of all the Members who are represented by that position, except that the Contracted Proportionate Share represented by each of the Class 8 Directors shall equal one half of the total combined Contracted Proportionate Share of all Class 8 Members.

8.3 Alternative Director. Alternate Directors shall have no vote if the Director is present. If the Director is not present, the Alternate Director may cast a vote.

ARTICLE IX: EXECUTIVE DIRECTOR

9.1 Appointment. The Board shall hire an Executive Director. The Executive Director shall be compensated for his/her services, as determined by the Board.

9.2 Duties. The Executive Director shall be the chief administrative officer of the Construction Authority, shall serve at the pleasure of the Board of Directors, and shall be responsible to the Board for the proper and efficient administration of the Construction Authority. The Executive Director shall have the powers that the Board delegate by motion, resolution or ordinance. The Executive Director will be delegated requisite authority to carry out such responsibilities as permitted by law.

9.3 Staff. The Executive Director shall employ such additional full-time and/or part-time employees, assistants and independent contractors that may be necessary from time to time to accomplish the purposes of the Construction Authority.

9.4 Term and Termination. The Executive Director will serve until he/she resigns or the Board decides to terminate his/her employment.

ARTICLE X: COMMITTEES

The Board may also appoint one or more advisory committees or establish standing committees. The Board shall within 60 days of an approved Conveyance Project establish an Environmental Compliance and Mitigation Committee. The Board shall determine the purpose and need for such committees and the necessary qualifications for individuals appointed to them. Each advisory or standing committee shall include at least one Director and the Director shall act as the chair thereof. The Board President shall appoint Directors and chairs of committees. The

Board may delegate such powers and authority to advisory committees or standing committees as the Board may determine by motion, resolution or ordinance.

ARTICLE XI: ACCOUNTING PRACTICES

11.1 General. The Board shall establish and maintain such funds and accounts as may be required by generally accepted utility accounting practice.

11.2 Fiscal Year. Unless the Directors decide otherwise, the fiscal year for the Authority shall be July 1 through June 30.

11.3 Auditor.

11.3.1 An Auditor shall be chosen annually by, and serve at the pleasure of the Board. As provided for in Article VII (**BOARD MEETINGS**) of this Agreement, the Auditor shall be chosen at the first Board meeting. An Auditor may serve for multiple consecutive terms. The Auditor may resign at any time upon written notice to the Board.

11.3.2 The Auditor shall make an annual audit of the accounts and records of the Authority. A report shall be filed as a public record with the Auditor of the county where the Authority is domiciled consistent with Government Code section 6505, and with each agency that is a Member. Such report also shall be filed with the Secretary of State within twelve (12) months of the end of the fiscal year under examination.

11.4 Treasurer. The Board, or its designated representative, shall contract with an independent certified public accountant or the Treasurer or Chief Financial Officer of any Member, to serve as Treasurer of the Authority. The Treasurer shall be the depository of and have custody of funds, subject to the requirements of Government Code sections 6505-6505.6. The Treasurer shall have custody of all money of the Construction Authority from whatever source and shall perform the duties specified in Government Code section 6505.5. The Treasurer shall be bound in accordance with Government Code section 6505.1 and shall pay demands against the Construction Authority that have been approved by the Board. All funds of the Construction Authority shall be strictly and separately accounted for, and regular reports shall be rendered to the Board of all receipts and disbursements at least quarterly during the fiscal year. The books and records of the Construction Authority shall be open to inspection by a Director at all reasonable times upon reasonable notice.

ARTICLE XII: BUDGET AND EXPENSES

12.1 Budget. The Board shall adopt an annual budget before the beginning of a fiscal year. The budget shall include, at a minimum, individual contract estimates with a contingency amount and all administrative costs to be incurred by the Construction Authority to perform the purposes of this Agreement.

12.2 Construction Authority Stand Up Costs. Members who were Members prior to the first amendment to this Agreement who contributed Stand Up Costs should be reimbursed any remaining Stand Up Costs within thirty days of the effective date of the first amendment.

12.3 Contribution; Payments; Advances. In accordance Section 6504 of the Government Code of the State of California, as amended, the Members may make such contributions, payments and advances, including in-kind services, to the Construction Authority as are approved from time to time by the Board of Directors.

12.4 Return of Contributions. In accordance with Government Code Section 6512.1, repayment or return to the Members of all or any part of any contributions made by Members may be directed by the Board at such time and upon such terms as the Board may decide.

12.5 Funding for the Construction Authority. Except for the Construction Authority Stand Up Costs actually expended, funding for the Authority which shall include but not be limited to all costs incurred and associated with the design and construction of the Conveyance Project pursuant to this Agreement shall be derived exclusively from DWR. However, in the event that DWR does not have the authority to fund, construct or own the Conveyance Project as part of the State Water Project, funding for the Construction Authority may be derived from other sources.

The Members of the Construction Authority shall not be responsible for any costs incurred by the Construction Authority in fulfillment of its purposes pursuant to this Agreement and any relevant Bylaws. The Construction Authority shall hold title to all funds and property acquired by the Construction Authority during the term of this Agreement.

12.6 Indebtedness. The issuance of bonds, notes or other forms of indebtedness, including entering into leases for real property or equipment, shall be approved at a meeting of the Directors.

ARTICLE XIII: LIABILITIES

13.1 No Member Liability. The debt, liabilities and obligations of the Construction Authority shall be the debts, liabilities and obligations of the Authority alone, and not the individual Members.

13.2 Indemnity. Funds of the Construction Authority may be used to defend, indemnify and hold harmless the Construction Authority, each Member, each Director, and any officers, agents and employees of the Construction Authority for their actions taken within the course and scope of their duties while acting on behalf of the Construction Authority, including pursuant to a future project agreement. Other than for gross negligence or intentional acts, the Construction Authority shall indemnify and hold harmless each Member, its officers, agents and employees from and against all claims, demands, or liability, including legal costs, arising out of or are encountered in connection with this Agreement and the activities conducted hereunder and shall defend each of them against any claim, cause of action, liability, or damage resulting therefrom. The directors, officers, employees, agents and volunteers of the Agency shall be entitled to defense and indemnification by the Construction Authority as provided under Government Code title 1, division 3.6, part 2, chapter 1, article 4 (commencing with Section 825)

and title 1, division 3.6, part 7 (commencing with section 995). The indemnification and hold harmless provisions of this section 13.2 shall apply in lieu of the right of contribution provisions at Government Code Sections 895-895.8.

ARTICLE XIV: WITHDRAWAL OF MEMBERS

14.1 Termination of Membership. The Board of Directors may terminate the membership of any Member upon a finding that the Member (1) does not possess powers common to the other Members, or (2) does not agree to bear its share of the Conveyance Project's costs.

14.2 Unilateral Withdrawal. Upon sixty (60) days' prior written notice, a Member may unilaterally withdraw from this Agreement for any reason, without causing or requiring termination of this Agreement. A member that withdraws shall be held to its financial obligations to the Construction Authority incurred while a member. Unless the notice is retracted, the withdrawal shall be effective as of the date the Member provided written notice or after written confirmation from the Construction Authority that the Member's outstanding obligations have been resolved.

14.3 Termination and Distribution.

14.3.1 This Agreement shall continue until terminated. However, it may not be terminated until such time as (1) DWR has accepted the Conveyance Project in accordance with Joint Exercise of Powers Agreement between the Department of Water Resources, State of California and the Construction Authority and (2) DWR has taken over all activities related to the design and construction of the Conveyance Project, and all principal of and interest on any liabilities or other forms of indebtedness of the Construction Authority are paid in full. Thereafter, this Agreement may be terminated by the written consent of 80% of the then current Members; provided, however, that this Agreement and the Construction Authority continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of the Construction Authority.

14.3.2 After completion of the Construction Authority's purposes, all assets and any surplus money on deposit in any fund or account of the Construction Authority will be distributed in accordance with the Board's direction. The Board is vested with all powers of the Delta Conveyance Design and Construction Joint Powers Authority.

ARTICLE XV: BYLAWS

At, or as soon as practicable after, the first meeting of the Board of Directors, the Board shall draft and approve Bylaws of the Construction Authority to govern the day-to-day operations of the Construction Authority.

ARTICLE XVI: MISCELLANEOUS PROVISIONS

16.1 Non-Waiver of Sovereign Authority. Nothing herein shall constitute a waiver or relinquishment of sovereign authority of any Member with respect to any decision related hereto, including, but not limited to, the decision to participate in any action hereunder or to participate in an action separate and apart herefrom.

16.2 No Predetermination or Irretrievable Commitment of Resources. Nothing herein shall constitute a determination that any action, including the Conveyance Project, shall be undertaken or that any irretrievable commitment of resources shall be made, until such time as the required compliance with the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

16.3 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the principal office of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service, or electronic mail.

16.4 Amendments To Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by a majority of the Members.

16.5 Agreement Complete. The foregoing constitutes the full and complete Agreement of the Members. There are no oral understandings or agreements not set forth in writing herein.

16.6 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable Federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby, provided however, that if the remaining parts, terms, or provisions do not comply with Government Code sections 6500 *et seq.*, this Agreement shall terminate.

16.7 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of the Agreement as to the remaining Members shall not be affected thereby.

16.8 Assignment. Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

16.9 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members hereto. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim or title to any part, share interest, fund, or asset of the Construction Authority.

16.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

16.11 Singular Includes Plural. Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

16.12 Limitations on Liability. Section 13.2 of this Agreement defines the scope of the Construction Authority's duty to defend, indemnify and hold harmless any Director, officer, agent or employee. The Construction Authority may purchase such insurance as the Board may deem appropriate for this purpose. A Member may separately contract for or assume responsibility for specific debts, liabilities, or obligations of the Construction Authority. Notwithstanding any other provision of this Agreement, no fee, assessment or charge may be levied against a current Member without express consent of the Member.

16.13 Official Bonds. The Executive Director and the Auditor are designated as officers required having and filing official bonds pursuant to Government Code section 6505.1 in amounts to be fixed by the Board.

16.14 Closed Session. Closed sessions of the Board shall be confidential. However, confidential information from closed sessions may be disclosed to Members as permitted by Government Code section 54956.96. The Board may include provisions in its bylaws to implement this section.

16.15 Amended and Restated Agreement. Upon the effective date of this Agreement, the previous Joint Powers Agreement Forming the Delta Conveyance Design and Construction Joint Powers Authority is hereby superseded and replaced in full by this Agreement and the new Board shall be seated. The Board shall amend the Bylaws as necessary to reflect this Agreement.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement by authorized officials thereof on the dates indicated below, which Agreement may be executed in counterparts.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: _____

Title: _____

Date: _____

KERN COUNTY WATER AGENCY

By: _____
Title: _____
Date: _____

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Title: _____
Date: _____

ALAMEDA COUNTY FLOOD CONTROL ZONE 7 WATER DISTRICT

By: _____
Title: _____
Date: _____

AGENCY:_____

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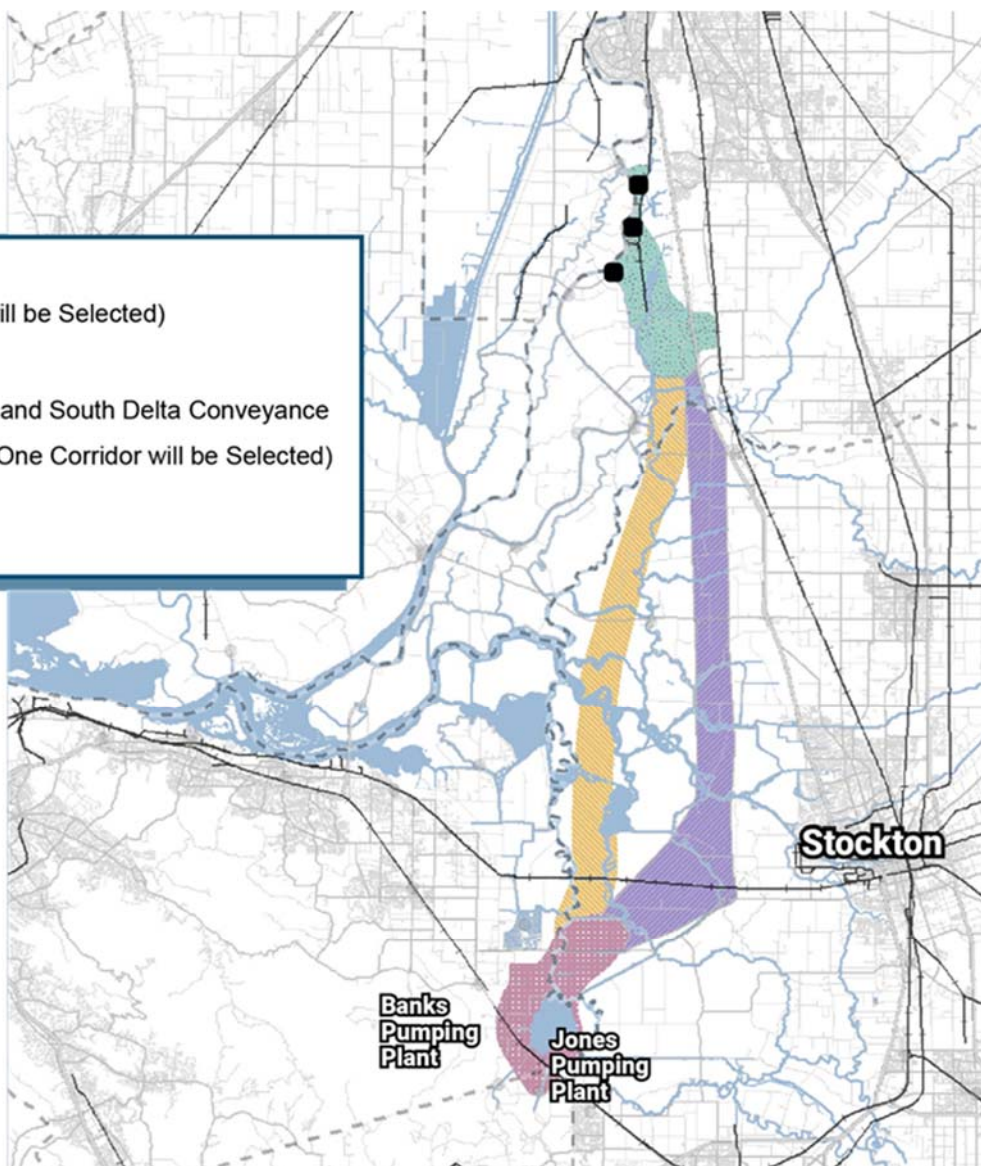
AGENCY: _____

By: _____
Title: _____
Date: _____

Delta Conveyance Project Proposed New Facilities

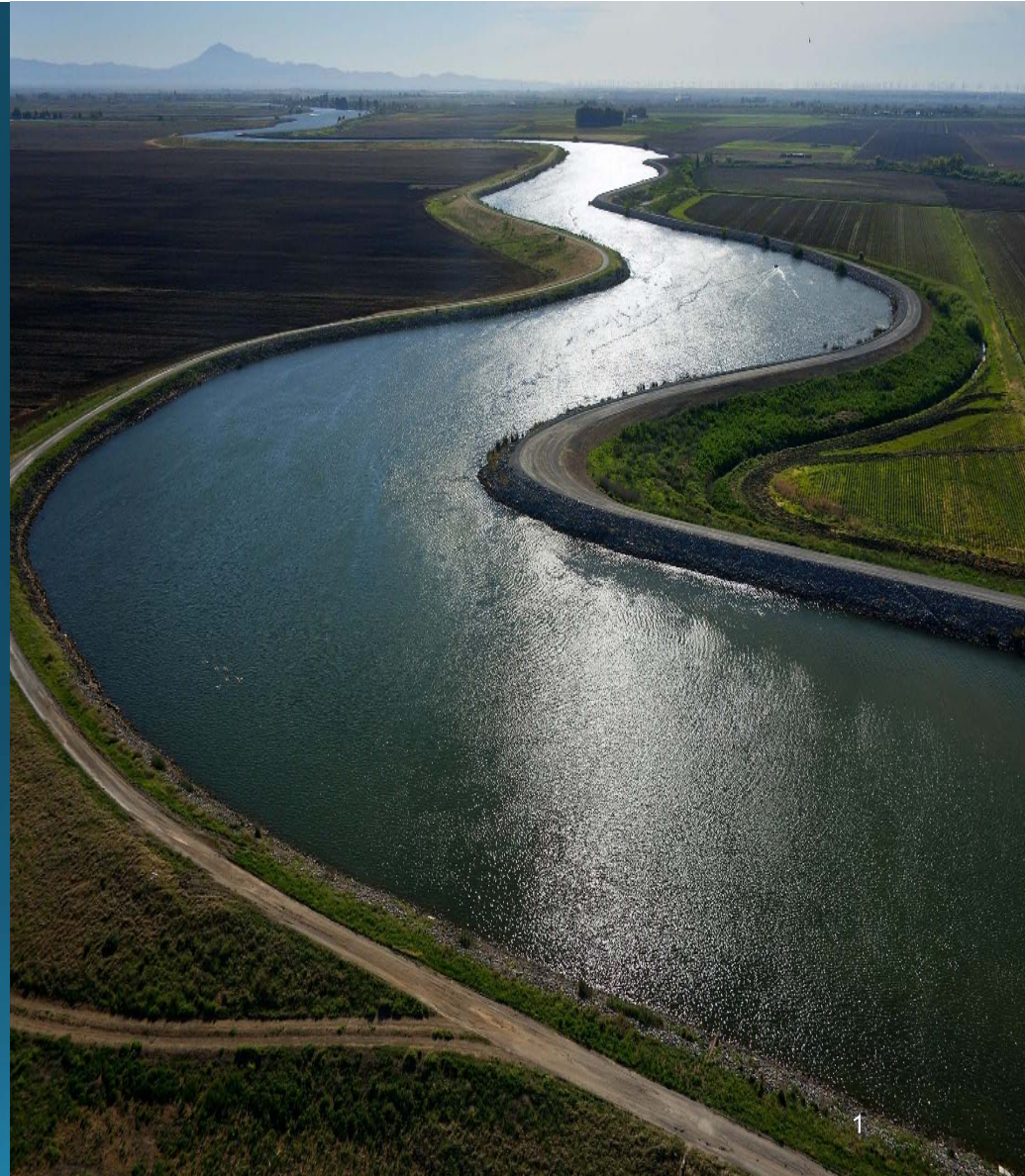
Legend

- Potential Intakes (Only Two Sites will be Selected)
- Intakes and North Tunnels
- Pumping Plant, Southern Forebay, and South Delta Conveyance
- Potential Optional Tunnel Corridors (Only One Corridor will be Selected)
- Central Tunnel Corridor
- Eastern Tunnel Corridor



Delta Conveyance Project

PALMDALE WATER DISTRICT
DATE 11/09/2020



Delta Conveyance Objective

To restore and protect ability to deliver SWP Water Supply

- **CLIMATE RESILIENCY:** Addresses climate change, extreme weather, and rising sea-levels in the Delta for the SWP
- **SEISMIC RESILIENCY:** Minimizes health/safety risk to public from earthquake-caused reductions in water delivery quality and quantity from the SWP
- **WATER SUPPLY RELIABILITY:** Restores and protects ability to deliver SWP water in compliance with regulatory and contractual constraints
- **OPERATIONAL RESILIENCY:** Provides SWP operational flexibility to improve aquatic conditions and manage risks of additional future constraints

Delta Conveyance – Notice of Preparation

New Facilities:

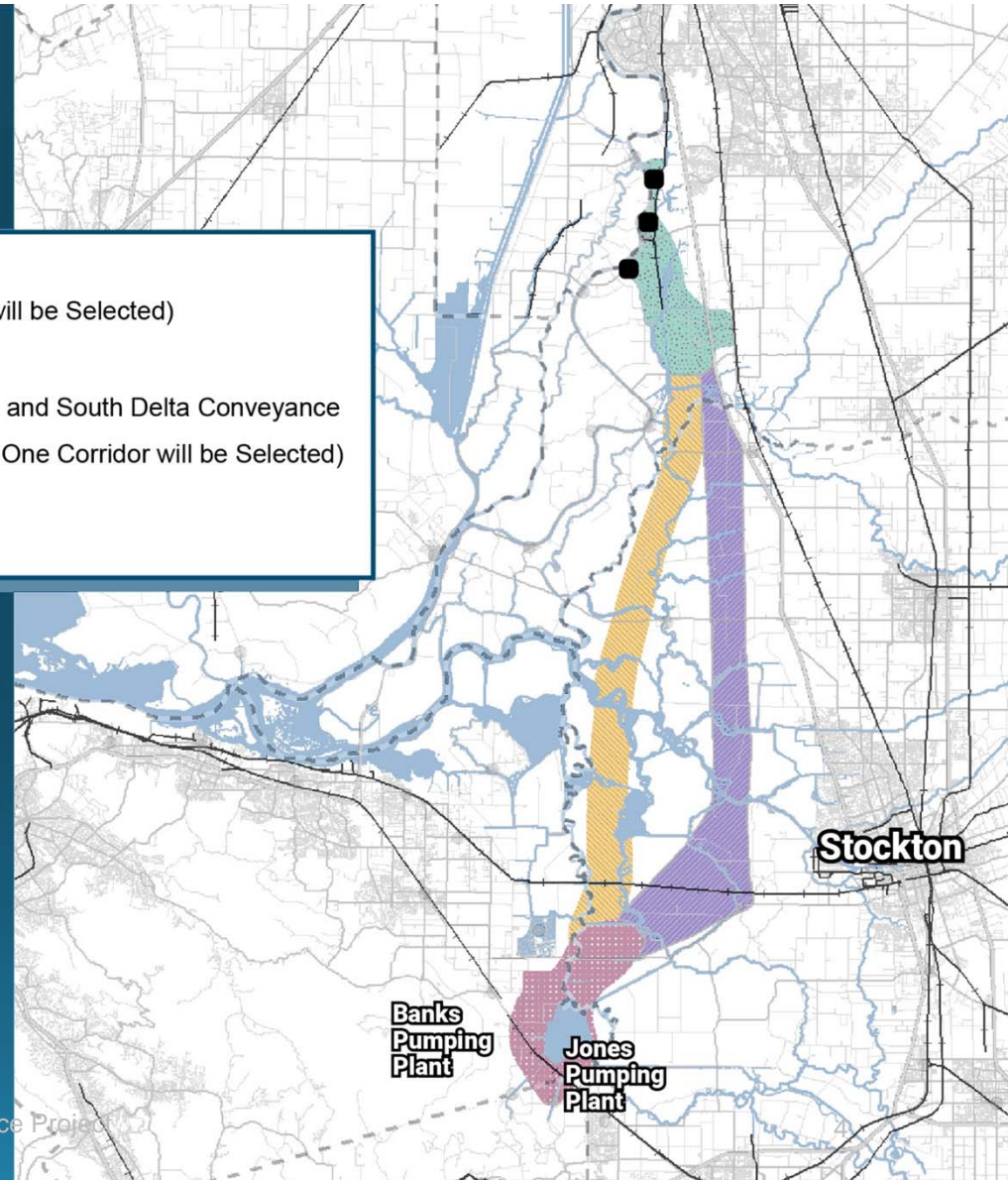
- Intakes
 - Two intakes (3,000 cfs each)
- Tunnel
 - One underground tunnel
 - Two potential corridors being considered
- Forebays
 - Intermediate and Southern
- Pumping plant
- South Delta conveyance facilities
- Other ancillary facilities

Delta Conveyance – Notice of Preparation

New Facilities

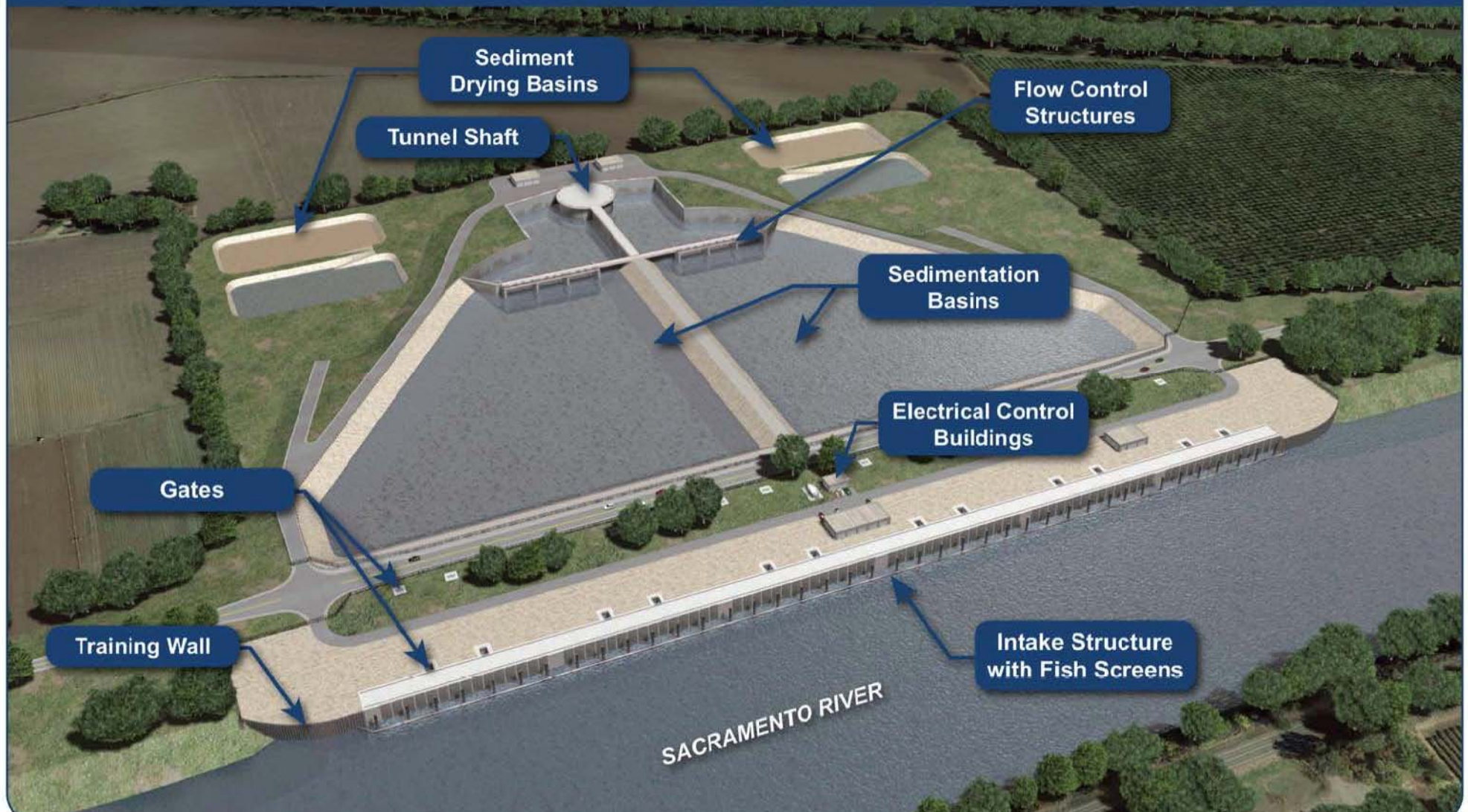
Legend

- Potential Intakes (Only Two Sites will be Selected)
- Intakes and North Tunnels
- Pumping Plant, Southern Forebay, and South Delta Conveyance
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- Central Tunnel Corridor
- Eastern Tunnel Corridor

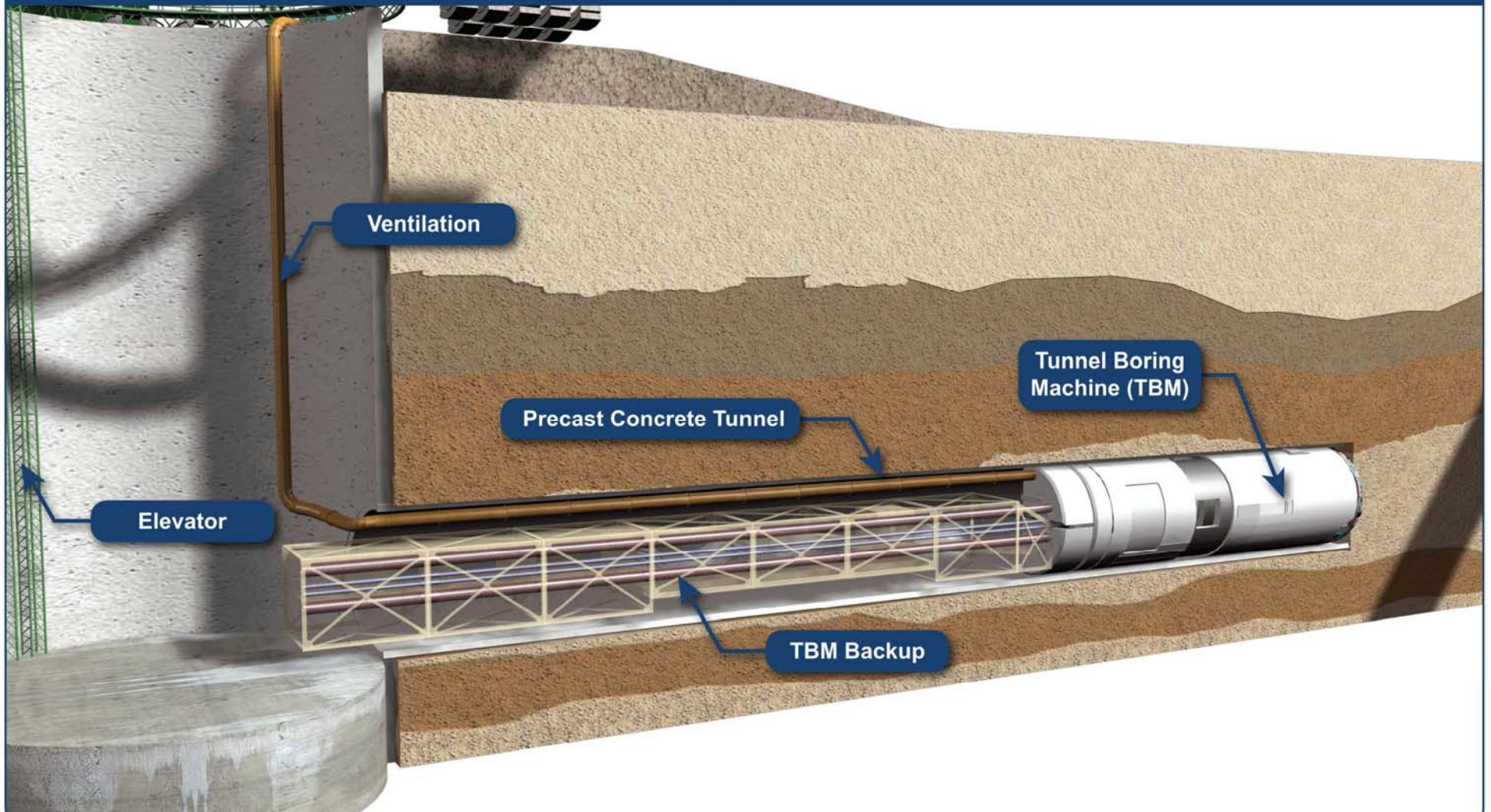


Delta Conveyance Project

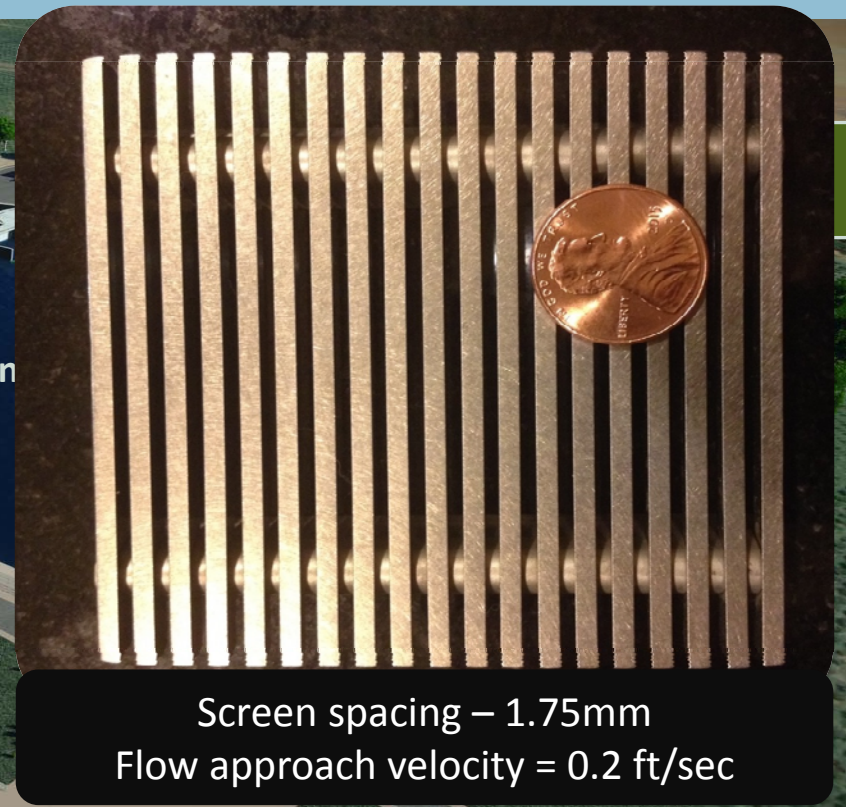
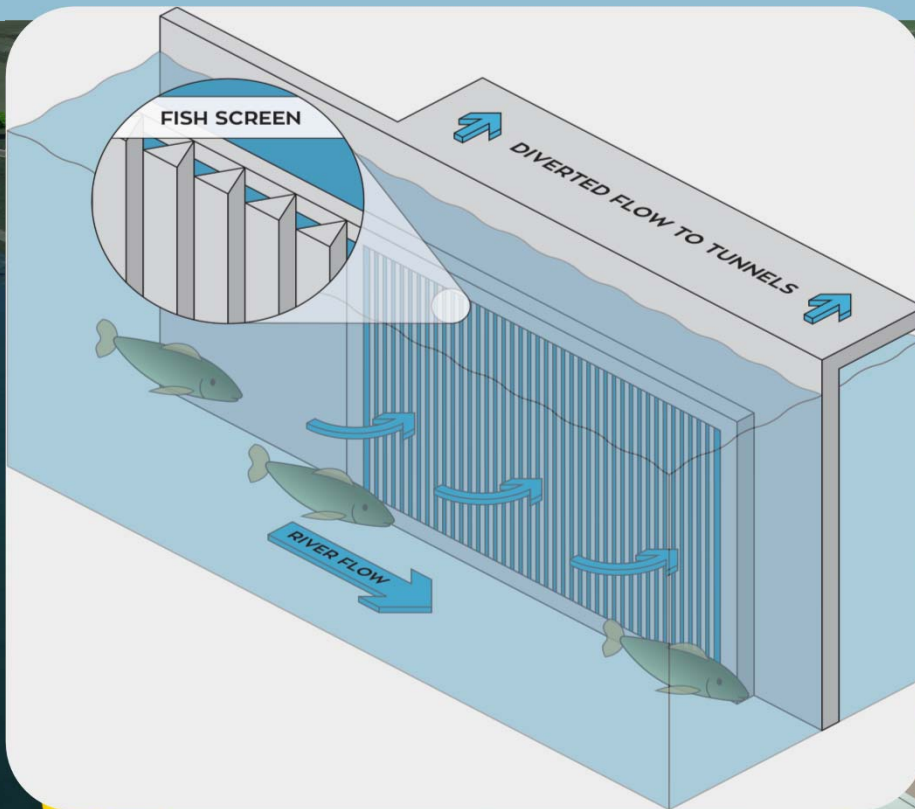
Intake



Tunnel

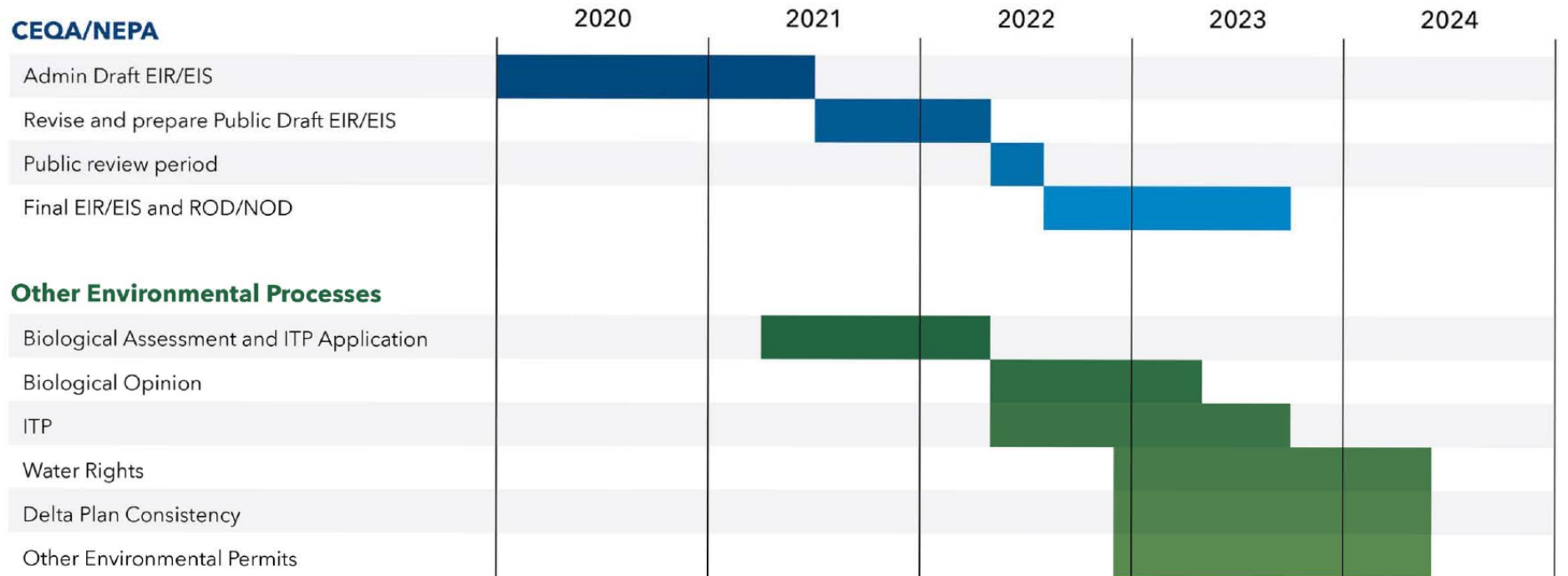


Conceptual River Intakes Design to Protect Fish



Project Schedule

Delta Conveyance Project Schedule



Delta Conveyance

Agency Board Actions

December 2020 2021-22 Planning Costs

- Funding Agreement for planning costs
- Review Delta Conveyance Agreement in Principle
- Potential updates to DCA agreement

Post-2022 Planning Costs

Post-2023

- Project Participation
- Approve Project/Contract Amendment for Conveyance

Planning Activities (2020 – 2024)

◆ Draft EIR/S

◆ Final EIR/S

◆ Federal/State ESA Approvals

◆ Project Approval ROD/NOD

◆ SWRCB - Change in Point of Diversion

◆ DSC -Certification of Consistency

This slide does not show all necessary permits and regulatory processes. It is a general representation of one-way DWR may seek to comply with regulatory requirements.

DCP Preliminary Benefits

Preliminary DCP Benefits Analysis

- DWR is currently developing the Delta Conveyance Proposed Project.
- At this time, DWR has not defined the project operations and has not completed regulatory processes that may impact project operations.
- Coarse estimate of water supply changes using CalSim II.
- Estimates may change as Delta Conveyance Project is further defined, permitting is completed and modeling is refined.

Water Reliability and Resiliency Benefits

- Water supply reliability and SWP resilience
 - Climate change adaptation/stormwater capture
 - Sea-level rise adaptation
 - Seismic resilience
- South Delta flow pattern improvements for fisheries
- Water transfer capacity and carriage water savings
- Water quality improvements for SWP deliveries

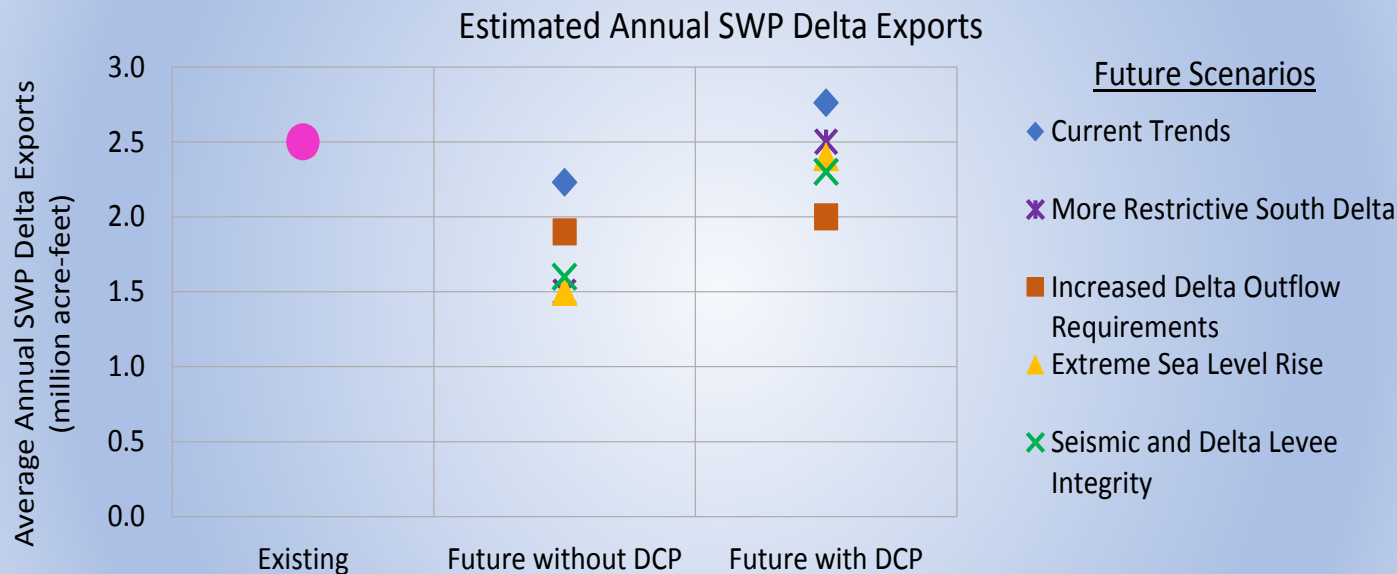
Preliminary Water Supply Assessment Scenarios

- 5 plausible combinations of regulatory, climate and sea level, and seismic/levee risk future scenarios
- Each scenario simulated with and without DCP
- DCP operations based on California WaterFix



Delta Conveyance Project

DCP Improves SWP Resilience Under Future Conditions



- SWP exports decrease by ~300 to 1000 TAFY under future scenarios without DCP, compared to the existing conditions
 - DCP allows similar SWP exports as the existing conditions in the future — **demonstrates improved resilience**
- *TAFY: thousand acre-feet per year on average*

System resilience is defined as the capacity to respond, absorb, adapt to, and recover from disruptive events

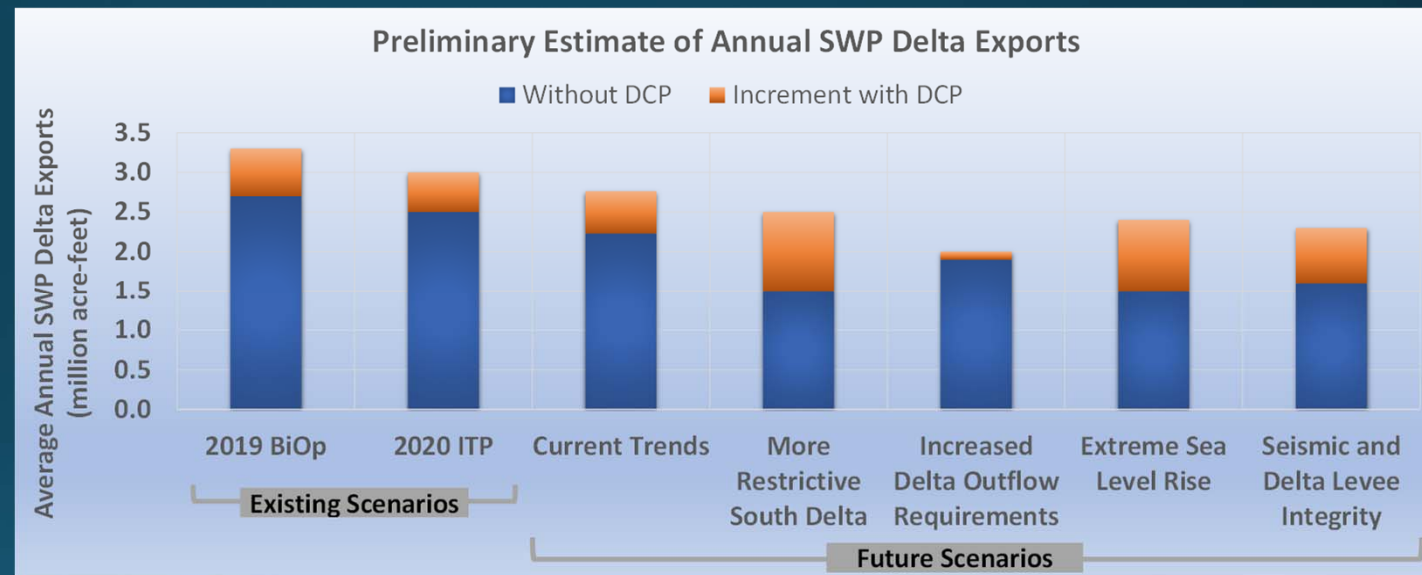
- Haines 2009, Risk Analysis

“... intended to strengthen the resilience of water systems, thereby helping communities prepare for disruptions, to withstand and recover from shocks, and to adapt and grow from these experiences.”

- California Water Resilience Portfolio 2020

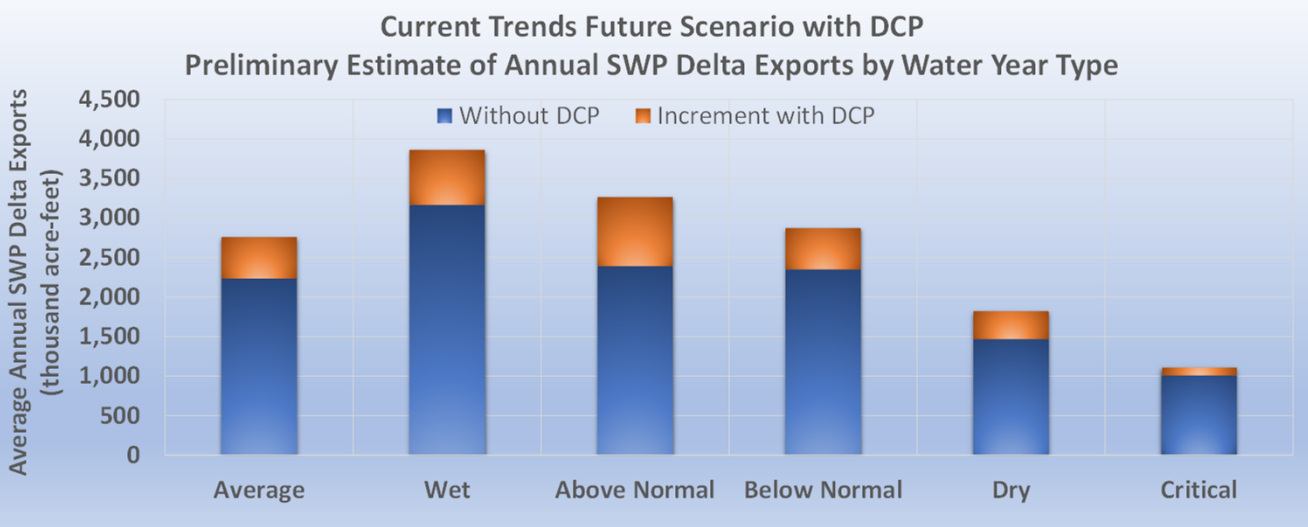
SWP Reliability Compared to Future Conditions Without DCP

- DCP shows potential to alleviate reductions to SWP reliability under many plausible future risk scenarios
 - ~100 TAFY to 1000 TAFY under greater regulatory restrictions
 - ~700 TAFY under seismic risks and delta island flooding
 - ~900 TAFY under extreme sea level rise
- Exact future likely a combination of climate/hydrology, sea level, regulatory, seismic, and other risks



**TAFY: thousand acre-feet per year on average*

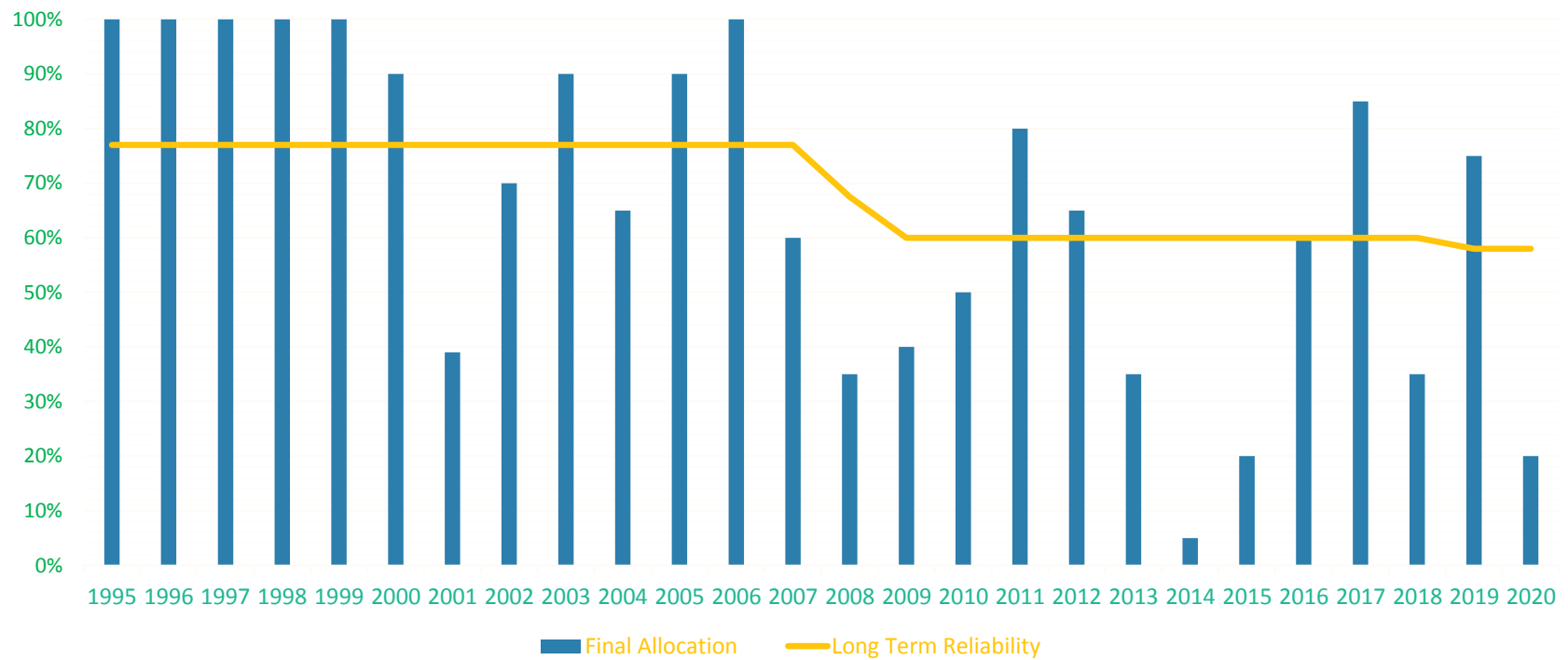
Preliminary Estimate of Potential SWP Water Supply Change with DCP Under Current Trends



**TAFY: thousand acre-feet per year on average*

- Current Trends scenario assumes:
 - current Delta regulations
 - projected climate change and sea level rise around year 2040
 - WaterFix operations for DCP
- Estimated SWP export improvement with DCP of ~500 TAFY under the Current Trends scenario
- Most of the export improvement in wetter years
- As DCP Proposed Project is further defined and modeling is refined, water supply estimates may change

Decreasing Trend in SWP Allocations

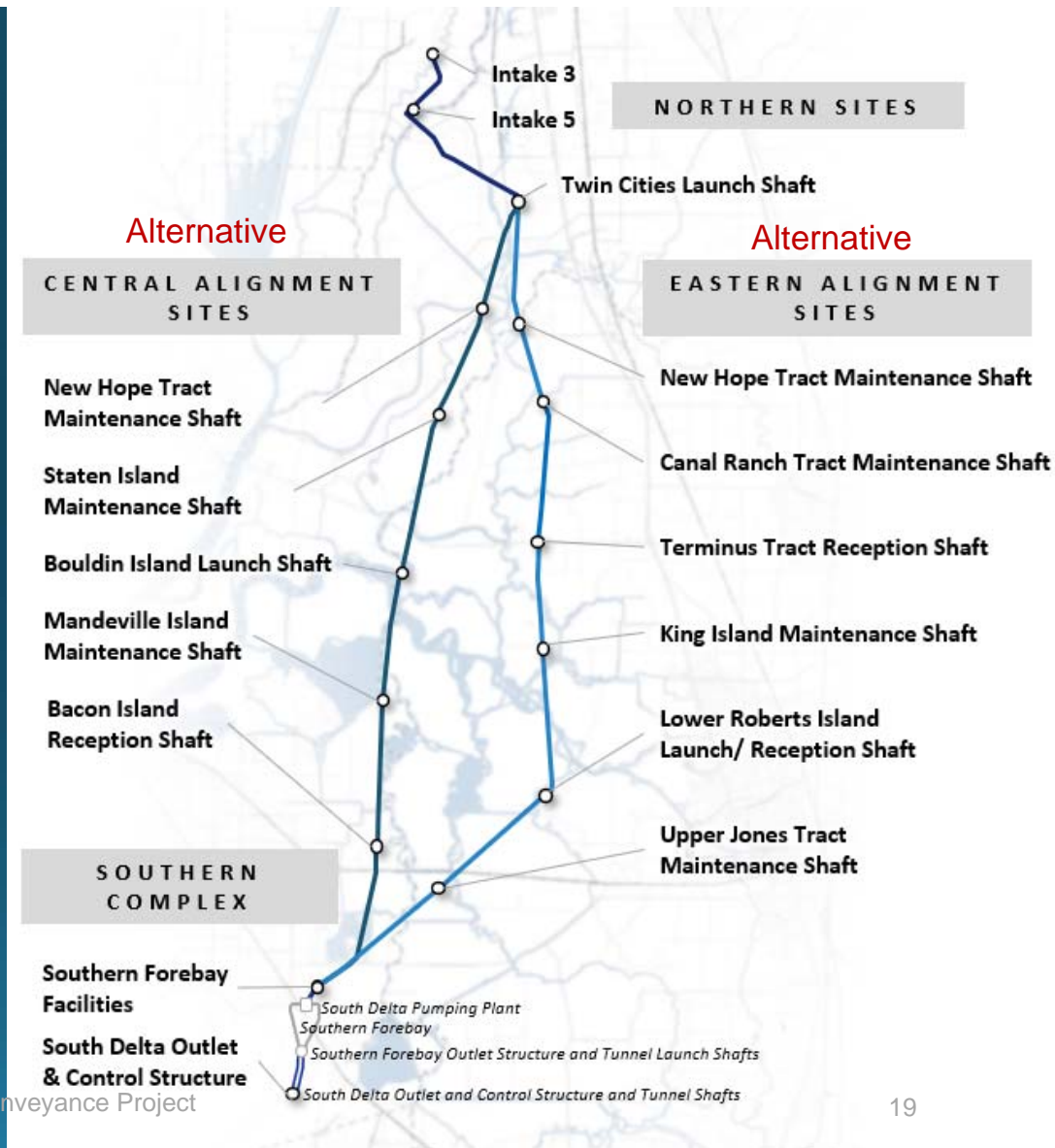


DCP Preliminary Costs and Cost Allocation

Cost Information Assumptions

- **Proposed Facilities Included in Estimate:**
 - One Tunnel - Total capacity 6,000 cfs
 - Two intakes at 3,000 cfs each
 - 42 miles of tunnel and associated shafts
 - Southern Complex Facilities
 - Pump Station
 - Forebay
 - Connections to existing CA Aqueduct

Delta Conveyance Project



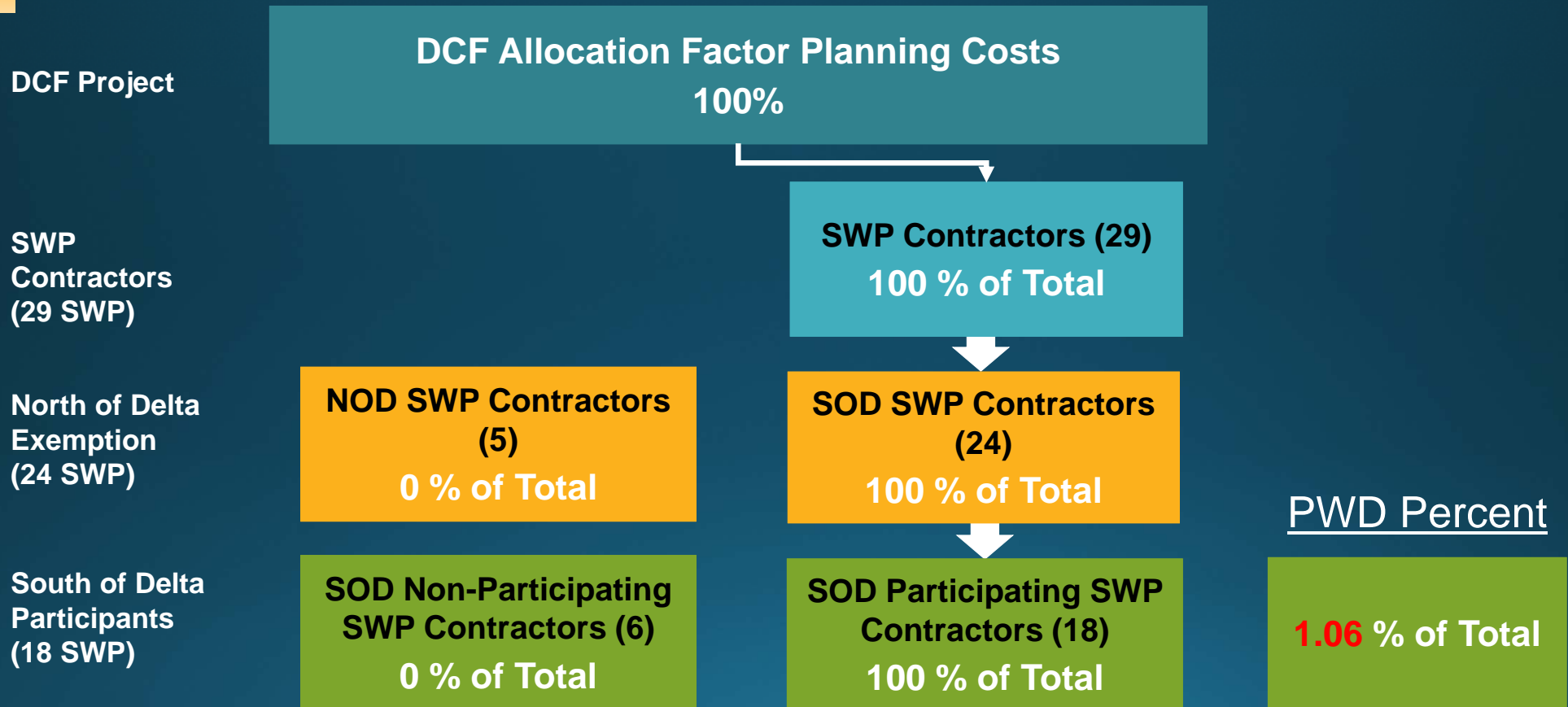
DCA Cost Assessment

DCA Program Scope:	Cost assessment based on DWR's Proposed Project in NOP Conceptual Engineering Report (CER) is not completed
Purpose:	Early cost assessment to inform PWA's investment in project planning
DCA Cost Assessment:	\$15.9 billion in non discounted dollars
Included:	Based on preliminary engineering but includes project costs for construction, management, oversight, mitigation, planning, soft costs and contingencies



Planning Funding Agreements

DCF Allocation Factor (%) – Planning Costs



True-Up Previous DCP Planning Funds

- 4 SWC Agencies provided \$9.2M in advance of the AIP to support DCP planning in 2020
- \$9.2M will be credited to those agencies over the 4-year planning period
- Total needed from DCP participants is:
 $\$331.5\text{M} + \$9.2\text{M} = \textbf{\$340.7}$
- Total contribution from PWD is:
 $\$340.7\text{M} * 1.06\% = \textbf{\$3.6M}$

Planning Costs 2021-2024 (PWD)

Year	Total Planning \$M (DCA and DWR)	True Up \$9.2M \$M	PWD 1.06% Share Planning + True Up
2021	\$61.5	\$2.3	\$668,215
2022	\$60	\$2.3	\$651,917
2023	\$100	\$2.3	\$1,086,528
2024	\$110	\$2.3	\$1,195,181
TOTAL	\$331.5	\$9.2	\$3,601,840

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: November 2, 2020 **November 9, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Jim Stanton, Information Technology Manager
Jennifer Emery, Human Resources Director
VIA: Dennis D. LaMoreaux, General Manager
Adam Ly, Assistant General Manager
RE: ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON SUBSCRIBING TO BAMBOOHR AS NEW HUMAN RELATIONS INFORMATION SYSTEM. (\$12,525.00 – BUDGETED – INFORMATION TECHNOLOGY MANAGER STANTON/HUMAN RESOURCES DIRECTOR EMERY)***

Recommendation:

Staff recommends that the Board approve acquisition of BambooHR as the new Human Relations Information System (HRIS) for an implementation cost not-to-exceed \$12,525.00 – budgeted. Annual costs to be \$10,515.00, thereafter.

Alternative Options:

HR can continue to use several different platforms for employee tracking, performance, onboarding, job announcements and applicant tracking.

Impact of Taking No Action:

The impact from no action would be HR has to duplicate efforts across multiple platforms.

Background:

HR currently uses GP for employee tracking; NeoGOV for employee performance, job announcements and applicant tracking. Human Resources (HR) and Information Technology (IT), working together, evaluated several different HRIS platforms; BambooHR, HRnetSource, Namely, Microsoft Great Plains, ColumbiaSoft Business Development, Bird Dog, Clear Company, Zenefits, SAP and ADP for both on premise and cloud-based solutions. BambooHR was the only one to meet all of HR's needs.

BambooHR software collects and organizes all HR information we gather throughout the employee life cycle. Whether it's hiring, onboarding, preparing compensation, or building culture, BambooHR gives us the tools and insight to focus on our most important asset—our people. BambooHR is a full feature, modern, easy to use, cloud based HRIS platform that includes an employee portal, employee mobile app, onboarding of new employees, offboarding of employees leaving, mobile hiring app, applicant tracking, E-Signatures and employee performance management.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Dennis D. LaMoreaux, General Manager
Adam Ly, Assistant General Manager

November 2, 2020

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 3 – Systems Efficiency.

This item directly relates to the District's Mission Statement.

Budget:

This item is budgeted under New Capital Expenditures – Human Resources Information System, \$60,000.

Supporting Documents:

- BambooHR Terms of Service
- BambooHR-Quote-Palmdale Water District-v2
- BambooHR Implementation Details

BAMBOOHR Terms of Service

Last Updated: September 22, 2020

YOUR USE OF THE PROPRIETARY BAMBOOHR® SERVICE OFFERED AT BAMBOOHR.COM (THE “SERVICE”), IS SUBJECT TO THESE TERMS OF SERVICE. IN ORDER TO USE THE SERVICE, YOU MUST AGREE TO BE BOUND BY THESE TERMS OF SERVICE (“AGREEMENT”) WITH BAMBOOHR LLC AND/OR BAMBOOHR PAYROLL LLC (“BAMBOOHR”). IF YOU DO NOT AGREE TO ALL TERMS OF THIS AGREEMENT, YOU MAY NOT USE THE SERVICE.

The BambooHR® Privacy Policy (available [here](#)) is incorporated herein by reference. This Agreement governs your use of the Service however accessed, including via an Internet browser, smartphone, tablet, or other mobile device.

By signing up for the Service on behalf of a client of BambooHR, you confirm that (a) you are duly authorized to represent the legal entity under which the client operates and any affiliates of the client who will be using the Service under the client, (b) you accept the terms of this Agreement on behalf of such legal entity and affiliates, and (c) any references to “you” in this Agreement refer to such legal entity, affiliates and all of the employees, consultants and agents of those respective parties. You are responsible for all activity on the Service that occurs under your account.

The Service

BAMBOOHR Terms of Service

1.1 The BambooHR® Service may include additional services that you subscribe to receive specifically from or through BambooHR (“Additional Services”). Some of these Additional Services have specific additional terms that apply to your use of those Additional Services (the “Additional Terms”), and those Additional Terms become part of this Agreement. In the event an Additional Term directly conflicts with any term in this Agreement, the Additional Term will apply to your use of the Additional Services instead of the term contained in this Agreement.

Term and Termination

2.1 This Agreement will remain in effect as long as you have an active subscription for the Service (the “Term”). If you elect to use the Service for a free trial period, and do not purchase a subscription before the end of such period, this Agreement will expire at the end of the free trial period.

2.2 Subscriptions purchased by you commence on the start date specified when you complete the initial payment process and continue for the subscription term selected at the time of payment. If you add an additional subscription for a new BambooHR® service or module at a later date, the new service will commence on the start date specified at the time you added the new service and continue for the subscription term selected at that time. Subscriptions automatically renew, as described in Section 5.1. If you would like a separate instance of the Service for an affiliate, that affiliate must purchase its own subscription to the Service and separately accept these Terms of Service.

BAMBOOHR Terms of Service

2.3 You are solely responsible for the proper cancellation of your subscription. You may cancel your subscription at any time by emailing support@bamboohr.com or calling 1-866-387-9595.

2.4 BambooHR may suspend your access to the Service and terminate this Agreement and your use of the Service at any time in the event you materially breach this Agreement (including failure to pay, which may occur if your credit card cannot be charged) and you do not cure such breach within 30 days of BambooHR providing you with written notice of such breach (including notice by email), or earlier if a specific subscription or Additional Terms provides otherwise. Notwithstanding the foregoing, BambooHR may immediately suspend or terminate your access to the Service without liability if you are in violation of Sections 4.1, 4.5 or 13 of this Agreement, as determined by BambooHR in its sole discretion. BambooHR may also downgrade, suspend or terminate your access to the Service without liability, after providing you with 30 days' advance written notice, if (a) you fail to affirmatively agree to material modifications of this Agreement pursuant to Section 3.1 below, or (b) you do not log in to or otherwise use the Service for a period of 180 days or more if you have a paid account and for a period of 60 days or more if you have a free account. For instances other than non-payment or violation of Section 4.1, in the event you cancel one or more of your subscriptions or this Agreement is terminated by BambooHR or you, BambooHR will refund to you any prepaid fees covering any period of the Term remaining after the effective date of termination for all such subscriptions, except that no refunds will be granted for the then-current month. Notice via email from BambooHR will be sent to you at the email address you have provided to us. BambooHR reserves the right to manage its client profile, the risks it will assume, the industries it will serve, and the locations where it will do

BAMBOOHR Terms of Service

business, including choosing to not provide services to certain groups parties, industries, or companies in certain countries, in its sole discretion.

2.5 Data downloads and deletion. In the event your subscription is terminated, other than in instances where it is terminated by BambooHR for your nonpayment or violation of Sections 4.1 or 13, you will continue to have the ability to download the information provided, inputted or uploaded to your databases in the BambooHR® Service by you or on your behalf (“Data”) for 30 days after the effective date of expiration or termination of your subscription. After such 30-day period or if your subscription is terminated due to your nonpayment or violation of Section 4.1, BambooHR shall have no obligation to maintain any Data and shall thereafter, unless legally prohibited to do so, or required pursuant to Additional Terms, delete all of your Data contained in the BambooHR® Service. If you subscribe to the “BambooHR® Payroll Service”, also known as TRAXPayroll® as described in section 15.2, BambooHR may maintain your payroll data for 10 years, as necessary to fulfill the legal and tax requirements for its payroll services, from the time that it provides a specific payroll service to you or files taxes on your behalf.

Modification of Service or this Agreement

3.1 The Service may be made available in free or paid versions at different levels. Not all features and functionality of the Service may be available in each version or level. BambooHR reserves the right, in its sole discretion, to modify, add, or remove portions and/or functionality of the Service on a temporary or permanent basis, without liability to you or any third party.

BAMBOOHR Terms of Service

3.2 BambooHR may modify or update this Agreement at any time. In the event BambooHR determines it is necessary to make a material modification to this Agreement, you will be notified of such change and asked to affirmatively agree to such modified version of the Agreement. Note, however, that your use of the Service after modifications to the Agreement become effective constitutes your binding acceptance of such changes. You may review the most current version of this Agreement at: <https://www.bamboohr.com/terms-of-service/>.

3.3 If you are dissatisfied with the terms of this Agreement or any modifications to this Agreement or the Service, you agree that your sole and exclusive remedy is to terminate your subscription and discontinue use of the Service.

Usage Rights; Restrictions; Support

4.1 During the Term, BambooHR grants you a limited, revocable, non-transferable, non-sublicensable, non-exclusive right to access and use the hosted software products and related documentation included in the Service and all modifications and/or enhancements to any of the foregoing (collectively, the “Software”) via a web browser or other device owned or controlled by you for your internal business use. Nothing in this Agreement obligates BambooHR to deliver or make available any copies of computer programs or code from the Software to you, whether in object code or source code form. You agree to use the Service only in compliance with all applicable local, state, national, and international laws, rules and regulations (“Applicable Law”). You shall not, and shall not agree to, and shall not authorize, encourage or permit any third party to:

BAMBOOHR Terms of Service

- 1) use the Service to upload, transmit or otherwise distribute any content that is unlawful, defamatory, harassing, fraudulent, obscene, threatening, abusive, hateful, contains viruses, or is otherwise objectionable as reasonably determined by BambooHR;
- 2) use the Service for any fraudulent or inappropriate purpose, or in a manner for which it is not intended to be used (as determined by BambooHR in its sole discretion);
- 3) attempt to decipher, decompile, delete, alter or reverse engineer any of the Software;
- 4) duplicate, make derivative works of, reproduce or exploit any part of the Service without the express written permission of BambooHR;
- 5) use any robot, spider, other automated device, or manual process to monitor or copy any content from the Service other than copying or exporting of the Data as contemplated in the documentation; or
- 6) rent, lease, distribute, or resell the Software, or access or use the Software or Services for developing a competitive solution (or contract with a third party to do so), or remove or alter any of the logos, trademark, patent or copyright notices, confidentiality or proprietary legends or other notices or markings that are on or in the Software or displayed in connection with the Service.

4.2 BambooHR shall: (i) provide you with basic support in connection with your use of the Service at no additional charge, and with upgraded support if purchased separately, (ii) use commercially reasonable efforts to make the Service available 24 hours a day, 7 days a week, except for: (a) planned downtime (which BambooHR shall schedule to the extent practicable after business hours Mountain Daylight Time on Thursdays), (b) any unavailability

BAMBOOHR Terms of Service

caused by circumstances beyond BambooHR's reasonable control, including, but not limited to, acts of God, acts of government, floods, fires, earthquakes, pandemics, civil unrest, acts of terror, strikes or other labor problems (other than those involving our employees), Internet service provider failures or delays, or denial of service attacks, or (c) as necessary to update the Service to ensure its security and integrity and (iii) provide the Service only in accordance with Applicable Law. BambooHR's hours for basic support are 6:00 a.m. to 6:00 p.m., Mountain Daylight Time, on weekdays, in the English language via telephone, email and chat. Also, while BambooHR would like to offer the Service in a manner that accommodates all customers in their native language, this is not practical considering the constant updating we do with our Service, the vast number of languages spoken and read in the world, and the localizations that would be required. BambooHR therefore provides much of its Service in English, with limited adaptations to certain major languages, which adaptations are made in its sole discretion.

4.3 BambooHR shall maintain commercially reasonable administrative, physical, and technical safeguards for protection of the Service, and the security of your Data. BambooHR shall not (a) disclose your Data except as compelled by Applicable Law or as you expressly authorize in writing, or (b) access your Data except to provide the Service and prevent or address service or technical problems, or at your express request in connection with customer support matters. In the event BambooHR is compelled by Applicable Law to disclose your Data, we will provide you with notice thereof, (in advance, if possible) if permitted by Applicable Law.

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4.4 You are solely responsible for your Data, and all uses of your Data that occur through your account.

4.5 IF YOU CHOOSE TO USE AND PAY FOR A TEST ACCOUNT (A LIMITED TIME AND USAGE BAMBOOHR ACCOUNT USED FOR TESTING THE SERVICE), YOU AGREE AND ACKNOWLEDGE THAT (A) YOUR TEST ACCOUNT WILL NOT BE USED WITH LIVE OR REAL DATA AND (B) BAMBOOHR MAKES NO WARRANTIES OR GUARANTEES REGARDING THE TEST ACCOUNT.

4.6 If you integrate with BambooHR using our API, you must use efficient programming, which will not cause an excessive number of requests to be made in too short a period of time, as-determined solely by BambooHR. If this occurs, BambooHR reserves the right to throttle your API connections or suspend or terminate your BambooHR account.

Payment Terms; Automatic Renewal

5.1 YOUR SUBSCRIPTION TO THE SERVICE RENEWS AUTOMATICALLY FOR THE SAME TERM SELECTED UPON INITIAL PAYMENT (E.G., MONTH-TO-MONTH, ANNUAL, ETC.). YOU MAY CHANGE YOUR SUBSCRIPTION TERM AT ANY TIME BY CONTACTING BAMBOOHR USING ONE OF THE METHODS SET FORTH IN THE CONTACT INFORMATION SECTION BELOW. IF YOU ARE PAYING BY CREDIT CARD, YOUR CREDIT CARD WILL BE CHARGED ONCE A MONTH FOR MONTHLY SUBSCRIPTIONS AND AT THE TIME YOUR ANNUAL SUBSCRIPTION PAYMENT HAS BEEN DEPLETED BASED ON YOUR NUMBER OF EMPLOYEES AND SUBSCRIPTION TO THE

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SERVICE. BambooHR will email you a receipt when your card has been charged. If your card cannot be charged, BambooHR will notify you and you will need to update your payment information. In the event you do not update your payment information within 22 days of BambooHR's notice, your access to the Service may be suspended and you will need to update your card information in order to resume use of the Service. There will be no refunds or credits for partial months of service.

5.2 Annual subscription pricing requires a one-year minimum commitment. If you cancel your full subscription, or your subscription is suspended for nonpayment, before the end of the one-year commitment period, you will no longer qualify for annual subscription pricing and you will be charged the difference between the monthly and annual commitment pricing for the number of months your subscription was active. If you cancel only a portion of your subscription, you may still qualify for annual pricing and the prepaid amounts attributed to that portion will be used against other services to which you have subscribed.

5.3 All fees are exclusive of all taxes or duties imposed by governing authorities. Other than sales taxes which BambooHR may be required to collect from you and remit to appropriate taxing authorities, you are solely responsible for payment of all such taxes or duties.

5.4 BambooHR may at any time, upon notice of at least 90 days, or a longer period if required by Applicable Law, change the price of your subscription or any part thereof, or institute new charges or fees. Price changes and institution of new charges implemented during your annual subscription period will go into effect for any subsequent annual subscription periods and to all new subscribers after the effective date of the change. If you do not agree to any such price

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changes, then you must cancel your subscription and stop using the Service prior to the commencement of the renewal subscription period for which the price change applies.

Intellectual Property Rights

6.1 As between the parties, BambooHR owns and shall retain all right, title and interest in and to (a) the Software and the Service, including all intellectual property rights therein, and (b) all transactional and performance data related to your use of the Service. BambooHR may collect, use and disclose all such transactional and performance data for its business purposes (including software use optimization and product marketing) provided that such use does not reveal your identity, any of your confidential information or any personally identifiable information that belongs to you or your employees.

6.2 You retain all right, title and ownership interest in and to your Data. BambooHR has no right, title or interest in any personally identifiable information contained in or related to your Data.

6.3 You have no obligation to give BambooHR any suggestions, enhancement requests, recommendations, comments or other feedback (“Feedback”) relating to the Service. To the extent you provide any Feedback to BambooHR, BambooHR may use and include any such Feedback to improve the Service or for any other purpose. Accordingly, if you provide Feedback, you agree that BambooHR shall own all such Feedback and BambooHR and its affiliates, licensees, clients, partners, third-party providers and other authorized entities may freely use, reproduce, license, distribute, and otherwise commercialize the

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Feedback in the Service or other related technologies, and you hereby assign all rights in such Feedback to BambooHR.

6.4 From time to time during the Term, BambooHR may develop, author or prepare custom documents, designs, computer programs, computer documentation and other tangible materials (“Deliverables”) for you pursuant to agreement between you and BambooHR. BambooHR shall own and retain all right, title and interest in and to such Deliverables and hereby grants to you a limited, revocable, non-transferable, non-sublicensable, non-exclusive license for you to use such Deliverables for your internal use only during the Term. BambooHR may reuse any Deliverables, provided that such use does not reveal your identity, your confidential information or any personally identifiable information that belongs to you or your employees.

Publicity

7.1 Unless otherwise agreed to by you and BambooHR, during the Term, BambooHR may disclose your name as a customer of BambooHR and/or subscriber to the Service, and you hereby grant BambooHR the right to display your name, company, and logo in BambooHR’s marketing materials and on BambooHR’s public website, in each case in accordance with any branding guidelines you may provide to BambooHR.

User Content

8.1 Certain features of the website may enable users to submit, upload, post, share, or display (hereinafter, “post”) comments or content, as well as to interact

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with others through user comment areas, message boards, direct messages, BambooHR's blog, and similar user-to-user areas, as applicable (such comments and content shall be collectively referred to as "User Content"). User Content includes any comments or reviews you provide to BambooHR, whether through customer support or otherwise, about the Service but excludes all Data.

8.2 You hereby grant to BambooHR an irrevocable, perpetual, non-exclusive, transferable, sublicensable, assignable, royalty-free, worldwide right and license to use, reproduce, display, perform, distribute, and prepare derivative works of any User Content you post on our website or about the Service for any purpose and in all forms and all media, whether now known or that become known in the future, and you waive any and all claims that you may have now or may hereafter have in any jurisdiction to any moral rights and all rights of "droit moral" in your User Content. If you post User Content, you represent and warrant to BambooHR that you own or control all rights in and to such User Content and have the right to grant the rights above to BambooHR.

Warranties and Limitation of Liability

9.1 BambooHR represents, warrants, and covenants as follows: (a) the Service will perform substantially in accordance with the specifications generally provided by BambooHR in connection with the Service ("Documentation"); (b) the provision of the Service will comply with all privacy and data protection laws applicable to its business; (c) it will not sell Personal Information provided by you, and it will retain, disclose, or use Personal Information provided by you only for purposes of providing the Service; and (d) any professional services performed for you by BambooHR will be performed in a professional and workmanlike

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manner, with the degree of skill and care that is required by sound professional procedures and practices.

9.2 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT FOR THE LIMITED WARRANTIES PROVIDED ABOVE, BAMBOOHR HEREBY DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE SERVICE, SOFTWARE, DOCUMENTATION, DELIVERABLES AND OTHER MATERIALS AND/OR SERVICES. BAMBOOHR DOES NOT WARRANT THAT OPERATION OF THE SERVICE WILL BE ERROR-FREE OR UNINTERRUPTED.

9.3 EXCEPT FOR (I) A PARTY'S VIOLATION OF THE OTHER PARTY'S INTELLECTUAL PROPERTY RIGHTS, (II) EITHER PARTY'S INDEMNIFICATION OBLIGATIONS HEREUNDER, OR (III) EITHER PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (A) IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES ARISING OUT OF THIS AGREEMENT, AND (B) THE AGGREGATE LIABILITY OF EITHER PARTY TO THE OTHER WITH RESPECT TO THIS AGREEMENT IS LIMITED, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, TO THE FEES COLLECTED BY BAMBOOHR FROM YOU PURSUANT TO THIS AGREEMENT IN THE SIX MONTHS PRECEDING THE EVENT FROM WHICH THE LIABILITY AROSE. THE FOREGOING LIMITATIONS APPLY EVEN IF SUCH PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY HEREIN.

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Security Breach

10.1 External Breach: In the event of an accidental, unauthorized or unlawful destruction, loss, alteration, disclosure of, or access to, personal data (a “Security Breach”), that impacts the personal data you maintain through the BambooHR® Service, and which is perpetrated by anyone other than your employees, contractors or agents, upon discovery of such Security Breach, BambooHR will: (a) initiate remedial actions that are in compliance with Applicable Law and consistent with industry standards; and (b) notify you of the Security Breach, its nature and scope, the remedial actions BambooHR will undertake, and the timeline within which BambooHR expects to remedy the Security Breach. You will be responsible for fulfilling your obligations under Applicable Law.

10.2 Internal Breach: In the event of a Security Breach, as defined by Applicable Law, which is perpetrated by your affiliate, employee, contractor or agent, or due to your failure to maintain your systems, network or Data in a secure manner, you shall have sole responsibility for initiating remedial actions and you shall notify BambooHR immediately of the Security Breach and steps you will take to remedy such breach. In our sole discretion, we may take any action, including suspension of your access to the Service, to prevent harm to you, us, the Service, or other third parties. You waive any right to make a claim against us for losses you incur that may result from our actions.

Indemnification

11.1 You agree to indemnify, defend and hold harmless BambooHR, and its subsidiaries, affiliates, officers, directors, agents, and employees from and

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against any costs, damages, expenses (including reasonable attorneys' fees), judgments, losses and other liabilities (including amounts paid in settlement) ("Liabilities") incurred as a result of any third-party action, claim, demand, proceeding or suit ("Claim") to the extent arising from or in connection with (a) your use of the Software and/or Service in violation of this Agreement, (b) any employment decision or action you take due to information available through or your use of the Service.

11.2 BambooHR agrees to indemnify, defend and hold harmless you, and your affiliates, officers, agents, and employees from and against any Liabilities incurred as a result of any third-party Claim to the extent arising from or in connection with an allegation that your use of the Software and/or Service in accordance with this Agreement infringes the intellectual property rights of a third party. Notwithstanding the foregoing, in no event shall BambooHR have any obligations or liability arising from: (a) use of the Software and/or Service in a modified form or in combination with materials or software not furnished by BambooHR, and (b) any User Content, information or Data provided by you, your end users, or other third parties.

11.3 A party seeking indemnification hereunder shall (a) promptly notify the other party in writing of the Claim, (b) give the indemnifying party sole control of the defense of such Claim and all negotiations for the compromise or settlement thereof (provided that if any settlement requires any action or admission by the indemnified party, then the settlement will require the indemnified party's prior consent), and (c) provide the indemnifying party with all reasonable cooperation, information and assistance in connection with such Claim; provided, however, that failure by the indemnified party to provide prompt notice of a Claim, grant such sole control, and/or provide such cooperation, information and assistance,

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shall not relieve the indemnifying party of its obligations under this Article 11, except to the extent that the indemnifying party is materially prejudiced by such failure. The indemnified party may be represented by its own counsel, at its own expense.

Governing Law

12.1 This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Utah, without reference to conflict of laws principles. Any legal action or proceeding with respect to this Agreement must be brought in the courts of the State of Utah and/or the courts of the United States of America for the District of Utah. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

Compliance with Laws; Disclaimers

13.1 Each Party shall comply with all Applicable Laws in connection with its own activities under this Agreement. The Service can be configured and used in ways that do not comply with Applicable Laws and it is your sole responsibility to monitor your employees' use and your use of the Service to ensure that such use complies with and is in accordance with Applicable Law. In no event shall BambooHR be responsible or liable for your failure to comply with Applicable Law in connection with your use of the Service.

13.2 BambooHR does not provide its customers with legal advice regarding compliance, data privacy or other relevant Applicable Laws in the jurisdictions in

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which you use the Service, and any statements made by BambooHR to you shall not constitute legal advice.

13.3 You acknowledge that BambooHR exercises no control over your specific human resource practices implemented using the Service or your decisions as to employment, promotion, advancement, termination, notification, or compensation of any employee or authorized user of the Service. You further agree and acknowledge that BambooHR does not have a direct relationship with your employees and that you are responsible for all contact, questions, Data updates and collection, with and from your employees. In addition, you are responsible for the privacy (including adopting and posting your own privacy policies governing your treatment of your employees' Data), collection, use, retention and processing of your employees' Data, and providing any and all notices and information to your employees regarding the foregoing, in compliance with all Applicable Laws. BambooHR hereby disclaims all liability arising from your decisions and from harmful data or code uploaded to the Service by you and/or your employees, contractors or agents.

13.4 You agree that you will not, directly or indirectly, ship, transfer, transmit, export or re-export, or knowingly permit any of the foregoing with respect to the Service or Software, or any technical information about the Service or Software, to any country for which the United States Export Administration Act, any regulation thereunder, or any similar United States law or regulation, requires an export license or other United States Government approval, unless the appropriate export license or approval has been obtained.

13.5 You represent and warrant that (a) you are not located in a country that is subject to a U.S. Government embargo, or that has been designated by the U.S.

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Government as a “terrorist supporting” country; and (b) you are not listed on any U.S. Government list of prohibited or restricted parties.

iOS Version

14.1 If you use the iOS version of the Service, you acknowledge the statements set forth in this Section. This Agreement is between you and BambooHR only, not with Apple Inc. (“Apple”), and Apple is not responsible for the Service or the functionality or content thereof. Apple has no obligation whatsoever to furnish any maintenance and support services with respect to the Service. In the event of any failure of the Service to conform to any applicable warranty and if you purchased a subscription to the Service through Apple, then you may notify Apple and Apple will refund the purchase price for the relevant Service to you; and, to the maximum extent permitted by Applicable Law, Apple has no other warranty obligation whatsoever with respect to the Service. As between Apple and BambooHR, BambooHR is responsible for any claims, losses, liabilities, damages, costs or expenses attributable to any failure of the Service to conform to any warranty, subject to the terms of this Agreement. Apple is not responsible for addressing any claims brought by you or any third party relating to the Service or your possession and/or use of the Service, including, but not limited to: (a) product liability claims; (b) any claim that the Service fails to conform to any applicable legal or regulatory requirement; and (c) claims arising under consumer protection or similar legislation. Apple is not responsible for the investigation, defense, settlement and discharge of any third-party claim that your possession and use of the Service infringes that third party’s intellectual property rights. You agree to comply with any applicable third-party terms, when using the Service. Apple, and Apple’s subsidiaries, are third party beneficiaries of this Agreement,

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and upon your acceptance of this Agreement, Apple will have the right (and will be deemed to have accepted the right) to enforce this Agreement against you as a third party beneficiary of this Agreement.

Additional Services

15.1 The “BambooPayroll Service” is a service offered by BambooHR through Execupay® to assist you with payroll processing. This service is optional and is subject to an additional fee. This service is governed by Execupay’s additional terms, in addition to all terms and conditions of this Agreement.

15.2 The “BambooHR® Payroll Service”, also known as TRAXPayroll®, is offered by BambooHR to assist you with payroll processing. This service is optional, and is subject to additional implementation, processing and auxiliary fees. If you subscribe to BambooHR® Payroll, you must have agreed to, completed, and signed a Payroll Services Agreement with TRAXPayroll and also accepted this Agreement, or agreed to, completed, and signed a Payroll Services Agreement with BambooHR® Payroll (which also requires you to accept this Agreement). A Payroll Services Agreement can be obtained from a BambooHR expansion representative.

15.3 BambooHR uses theories, methods and tools associated with the employee Net Promoter System® (eNPS)¹ in offering its Employee Satisfaction survey service. There are no additional fees associated with this service but use of eNPS is subject to a separate license from its owner which BambooHR obtains on behalf of the Service. BambooHR will endeavor to continue to secure the right to use eNPS in the Service but the availability of eNPS for use through the Service is subject to change at any time and without notice.

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eSignature Service

16.1 The “eSignature Service” is a service provided by BambooHR for two counterparties (usually a company, herein described as the “sending party,” subscribing to BambooHR’s services and an employee, employee-candidate or contractor) to electronically sign documents (including, but not limited to, agreements, policies, forms, etc.). If you use the eSignature Service offered by BambooHR, you acknowledge and agree to the statements set forth in this Section. Whenever you sign a document using BambooHR’s eSignature Service you affirmatively consent to using electronic signatures via the eSignature Service and consent to conducting electronic business transactions. You also confirm that you are able to access the eSignature Service and the document you are signing electronically. When using the eSignature Service for a particular document, your consent applies only to the matter(s) covered by that particular document.

16.2 You are not required to use the eSignature Service or accept electronic documents provided thereby. If you are an employee, employee-candidate or contractor and you choose to not use the eSignature Service, you may still sign the document manually by notifying the sending party that you are choosing to do so and by obtaining a non-electronic copy of the document from them. BambooHR assumes no responsibility for providing you with a non-electronic version of the document. In the event you are choosing to sign the document manually, do not use the eSignature Service to sign the document or to return the document to the sending party.

16.3 If you have signed a document electronically using the eSignature Service and transmitted it back to the sending party, BambooHR will provide you the

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opportunity to download and print a paper copy of the document at no charge. If you later withdraw your consent to using the eSignature Service, please notify the sending party and stop using the eSignature Service. Note that the decision to stop using the eSignature Service after you have already used it does not change the legality of the documents you have previously signed using an electronic signature.

16.4 When counterparties sign a document electronically using the eSignature Service, the rights and duties associated with that document are solely those of the counterparties. BambooHR is not a party to the document and carries no liability or responsibility with respect to the correctness, validity or enforcement of the document; nor does BambooHR have any liability or responsibility with respect to the legal or non-legal aspects of the document or any dispute arising as a result of the document. BambooHR's sole responsibility is provision of the eSignature Service and customer service associated therewith.

16.5 PLEASE NOTE THAT BAMBOOHR'S STATEMENTS CONTAINED HEREIN OR ELSEWHERE CONCERNING THE VALIDITY OF ELECTRONIC DOCUMENTS AND/OR THE SIGNATURE LINES OF DOCUMENTS THAT ARE ELECTRONICALLY SIGNED ARE FOR INFORMATIONAL PURPOSES ONLY; THEY ARE GENERAL IN NATURE AND SHOULD NOT BE CONSTRUED AS LEGAL ADVICE. UNDER FEDERAL AND STATE LAWS GOVERNING ELECTRONIC SIGNATURES, ELECTRONIC SIGNATURES ON CERTAIN TYPES OF AGREEMENTS ARE NOT ENFORCEABLE. BAMBOOHR HEREBY DISCLAIMS ANY RESPONSIBILITY FOR ENSURING THAT DOCUMENTS ELECTRONICALLY SIGNED THROUGH BAMBOOHR'S ESIGNATURE SERVICE ARE VALID OR ENFORCEABLE UNDER THE LAWS OF THE UNITED STATES OF AMERICA, ANY PARTICULAR STATE, OR ANY OTHER

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LEGAL JURISDICTION. YOU SHOULD CONSULT WITH LEGAL COUNSEL CONCERNING THE VALIDITY OR ENFORCEABILITY OF ANY DOCUMENT YOU MAY SIGN ELECTRONICALLY USING THE BAMBOOHR® ESIGNATURE SERVICE.

General Provisions

17.1 Entire Agreement. This Agreement encompasses the entire agreement between you and BambooHR with respect to the subject matter hereof and supersedes all prior representations, agreements and understandings, written or oral. No purchase order or other form submitted by you will modify, supersede, add to or in any way vary the terms of this Agreement.

17.2 No Waiver. The failure of BambooHR to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision.

17.3 Severability. If any part of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall be interpreted so as to reasonably effectuate the intention of the parties and shall not affect the validity and enforceability of any remaining provisions.

17.4 Survival. The provisions of this Agreement that should, by their nature survive termination and/or expiration, shall and do survive such termination and/or expiration.

17.5 Assignment. You may not assign or otherwise transfer any of your rights or obligations under this Agreement without BambooHR's prior written consent,

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which consent shall not be unreasonably withheld. This Agreement shall be binding upon and will inure to the benefit of the parties and their respective successors and permitted assigns. Any assignment in violation of the foregoing will be null and void.

17.6 No Legal Advice; Reliance. No part of this Agreement is intended or shall be construed as legal advice. BambooHR shall not be liable for any errors or omissions in the content of this Agreement or for any actions taken in reliance thereon.

17.7 No Third-Party Beneficiaries. Subject to Section 14.1, nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the parties hereto, any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

Contact Information.

18.1 If you have any questions about the Service or this Agreement, you may call us at **801-724-6600**, email us at support@bamboohr.com, or write to us at:

Bamboo HR LLC

BambooHR Payroll LLC

ATTN: Corporate Counsel

335 South 560 West

BAMBOOHR Terms of Service

Lindon, UT 84042-1911

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FROM
Zak Bills
BambooHR
zbills@bamboohr.com
www.bamboohr.com

PREPARED FOR
Jennifer Emery
Palmdale Water District
jemery@palmdalewater.org

DATE
October 12, 2020

EXPIRES
October 16, 2020

Products

Product	Quantity	Months	List Price	Total Price(USD)
Advantage	88	12	\$ 8.25	\$ 8,712.00
Performance Management (Optional Add-on)	88	12	\$ 5.25	\$ 5,544.00
Total List				\$ 14,256.00
LESS: Advantage Volume Discount (22.4 %)				\$ (1,953.60)
LESS: Performance Management Volume Discount (22.3 %)				\$ (1,235.52)
LESS: HRIS Prepaid Discount (5.0 %)				\$ (553.34)
Net Software Annual Total				\$ 10,513.54

Services

Service	Quantity	Total Price(USD)
HRIS Implementation	1	\$ 2,229.76
Total List		\$ 2,229.76
LESS: Implementation Promotional Discount (10.0 %)		\$ (222.98)
Net Services		\$ 2,006.79

*Applicable sales tax may be added

20% off implementation if approved before 10/16/2020 - helping fill the implementation queue

Effective Quoted PEPM: \$9.96

Due at Activation

HRIS Software Annual Total	\$ 10,513.54
Services (One-Time)	\$ 2,006.79
Total Due at Activation*	\$ 12,520.32

Total Cost Per Year After Activation

\$10,513.54

Advantage

BambooHR Advantage includes:

- HR Management (Mobile App, Employee Records, 10 GB of Doc Storage + 250 MB per active employee, Employee Directory, Org Chart, Company Calendar, Training Tracking, Audit Trail)
- Onboarding (Onboarding and Offboarding Tasks, Employee Self-onboarding, eSignatures)
- Hiring (Applicant Tracking System for 25 concurrent job openings, Offer Letters, Hiring Mobile App)
- Compensation Tracking (Time-off Mgmt, Benefits Tracking, Compensation History)
- Employee Satisfaction with eNPS
- Advanced Reporting & Components (Custom Reporting, Custom Access Levels, Tailored Workflows & Approvals, Personalized Email Alerts, Custom Tabs & Fields, Company Branding)
- Integrations (Google & SAML Single Sign-on, API Access, BambooHR Marketplace)
- Support (Email/Phone support Mon-Fri, 6:00 AM - 6:00 PM MT; Webinar Library)

Add-ons: BambooHR Time Tracking and Performance Management may be purchased as add-on products.

Performance Management (Optional Add-on)

Employee Goal Tracking, Self & Manager Assessment, Peer Feedback, Assessment Progress Report, Automated Email Alerts, Employee Performance Report

Advantage Implementation Includes:

A dedicated Implementation Specialist for 4-6 weeks; five (5) training phone calls; importing general demographic data; importing training data; importing benefit data; importing and initial setup of Vacation/Holiday balances/policies; importing job data such as salary, division, department; importing data for other custom fields, tabs, and tables; enabling employee self-service to gather emergency contacts, dependents, and other data. It also includes the current custom fields, tables, and tabs available in BambooHR; BambooHR will not do custom programming efforts or any development work with the BambooHR API. Utilization of the BambooHR API is completed by the customer with technical support available via email.

During implementation, your Project Manager will work with one main point of contact; all data must be imported within the duration of the package as outlined in your success plan. Extra time, if needed, is billed by the hour. Data for import must be in Excel or CSV files. The service does not include uploading of files or photos, manual data entry (hand entering) from paper files or PDF documents, setting up the onboarding/offboarding checklists, posting jobs or importing resumes, importing time off data prior to the current calendar year, or importing benefit data in excess of 1 year and does not include the importing of past employees. Implementation duration is 4-6 weeks following the date of sign up with BambooHR. Work not completed during this time frame is subject to additional implementation fees.

Things you need to know in connection with this price quote:

1. Prices quoted above are based on your agreement to subscribe to the above noted services, and represents the number of active employees that you have indicated will be added to BambooHR when fully implemented. Should your number of users change, or you subscribe to additional services, your prices may increase or decrease.
2. Payment for all services, including implementation, becomes due when you become a subscriber of BambooHR services. Your first payment will be due immediately upon your acceptance of this price quote and your subscription will renew in the future for the same term selected upon initial payment.
3. Please note that by agreeing to use our services, you agree to BambooHR's Terms of Service, which are found at: <https://www.bamboohr.com/terms.php>.
4. See <https://www.bamboohr.com/packaging> for product details
5. Please contact your BambooHR sales representative with any questions or changes, or you may contact customer support at 801-724-6600.

Annual subscription pricing requires a one-year minimum commitment. If you cancel your subscription, or your subscription is suspended for nonpayment, before the end of the one-year commitment period, you will no longer qualify for annual subscription pricing and you will be charged the difference between the monthly and annual commitment pricing for the number of months your subscription was active.

Advantage Package

Implementation Process

With our implementation process, our goal is to help you get the most out of BambooHR. We've learned that clients who focus on transitioning to their new HR system tend to get the best return on their investment. So we'd like to help you set up your account just as you want it and enter the bulk of your initial data into the system within the first four weeks. And after implementation, our friendly customer service team will provide continued support as your organization uses and benefits from BambooHR.

Read on for everything you'll need for this process and what you can expect from your implementation experience. Happy Bamboo-ing!

What We'll Need From You:

You'll need to select a primary implementation contact. This person needs to commit to completing several phone calls and action items over the next four weeks as we help you through your implementation.

You'll need to send us data sets for implementation processes (specified for each step) in Excel or CSV format. We process a high volume of information every day, so submitting the data in this format helps us spend less time copying and pasting and more time working with you on implementing your HR strategy.

What We Provide:

Our implementation package includes process training calls, data importing from Excel or CSV formats*, and dedicated support for rolling out employee access.

You can expect to complete the implementation process in four weeks from your date of sale. Depending on your needs, we may need to schedule two calls in a given week to stay on this schedule.

After every call, we'll send you an email that outlines both the topics we've discussed and the action items you'll need to complete before our next call. These action items can include compiling data, setting up sections of the account, completing interactive guides to set up certain components, and adding information about your organization's specific policies (such as time off and vacation days).

HR affects everyone in your organization, so we will ask you to invite a primary contact from certain departments (like the recruiting manager or the payroll manager) to participate on certain calls. Please limit these invitations to one person per department. If other members of the department have questions, please funnel them through the primary implementation contact. This helps us spend your important time on effective training.

What to Expect:

Here's an overview of the data you'll need and the processes we'll cover based on the options you've purchased, with the average time it takes to complete each process and the length of each implementation phone call:

BambooHR Advantage

Introduction:

one day (15-minute call)

The Basics:

one week (30-minute call)

Data | Initial employee demographics and job data for current employees

Goal | Employee Access—Phase 1
(includes Manager Access)

The Hiring Process:

two days (30-minute call)

Data | No additional data needed

Goal | Custom Access for Recruiters

The Time Off Process:

one week (30-to-45-minute call)

Data | Time off opening balances and time off requests current year going forward

Goal | Employee Access—Phase 2, Custom Access for Payroll

The Benefits Process:

one week (30-to-45-minute call)

Data | Benefits enrollment information for current employees

Goal | Employee Access—Phase 3

The Training and Customizations Process

3-5 days (30 Minutes)

Data | Training history and any custom data for import for current employees

Goal | Employee Access—Phase 4
(if needed), Custom Access for Trainers/Leadership

Graduation:

one day (15-minute call)

BambooHR Performance Module

(optional purchase)

The Performance Process:

one day (Included in 15-minute graduation call)

Data | BambooHR will provide resources to assist with setup and rollout

Goal | Enable Performance Management

As you well know, BambooHR wouldn't dream of tying clients down with a contract. We believe that a great product and excellent customer service should be what makes you want to keep coming back. But just so we're

on the same page, we assume that you agree to the expectations and guidelines as outlined above when you use our implementation service.

*Implementation does not accept data in formats other than Excel or CSV files. The data uploading process does not include uploading documentation, files, employee photos, or job applicant data; it does not include time off data beyond the current year. We will need employee demographic, job data, and benefit enrollment information for both current and terminated employees for the past calendar or fiscal year.

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: November 2, 2020 **November 9, 2020**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION
ON CANCELLING THE SECOND REGULAR BOARD MEETING IN
DECEMBER, DECEMBER 28, 2020, DUE TO THE DISTRICT’S
SCHEDULED OFFICE CLOSURE. (NO BUDGET IMPACT –
GENERAL MANAGER LaMOREAUX)***

Recommendation:

Staff recommends that the second Regular Board Meeting in December, December 28, 2020, be cancelled due to the scheduled office closure.

Alternative Options:

The second Regular Board Meeting in December could be rescheduled to an earlier time in December.

Impact of Taking No Action:

The second Regular Board Meeting in December will not be held.

Background:

For the past several years, the District has closed from Christmas through New Year’s as a cost saving measure with the Board of Directors cancelling the second Regular Board Meeting in December due to this closure. This year's closure begins December 21, 2020 with the office reopening December 28, 2020. The date of the second Regular Board Meeting is December 28, 2020; however, due to the closure, staff will not be available to prepare agenda packets for the meeting.

Strategic Plan Initiative:

This item is under Strategic Initiative No. 5 – Regional Leadership.

Budget:

Cancelling the second Regular Board Meeting in December will not affect the budget.

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 24, 2020:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, September 24, 2020, via teleconference. Chair Dizmang called the meeting to order at 1:00 p.m.

1) Roll Call.

Attendance:

Committee:

Gloria Dizmang, Chair (via teleconf.)

Don Wilson, Committee
Member (via teleconf.)

Others Present:

Dennis LaMoreaux, General Manager (via teleconf.)

Adam Ly, Assistant General Manager (via teleconf.)

Mike Williams, Finance Manager (via teleconf.)

Judy Shay, Public Affairs Director (via teleconf.)

Tara Rosati, Customer Care Spvrs. (via teleconf.)

Bob Egan, Financial Advisor (via teleconf.)

Dawn Deans, Executive Assistant (via teleconf.)

0 members of the public (via teleconf.)

2) Adoption of Agenda.

It was moved by Committee Member Wilson, seconded by Chair Dizmang, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments for Non-Agenda Items.

There were no public comments for non-agenda items.

4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held August 20, 2020 and of Special Meeting Held September 3, 2020.

It was moved by Committee Member Wilson, seconded by Chair Dizmang, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held August 20, 2020 and of the special meeting held September 3, 2020.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of August 2020. (Financial Advisor Egan)

Financial Advisor Egan provided an overview of the Major Account Activity Report and Investment Funds Report through August 2020, including the increase in ending cash due to assessments received and interest; reviewed the Cash Flow Statement, including anticipated assessments, Capital Improvement Fees, and the projected year-end balance; and then emphasized the need for year-end cash to remain above \$10 million.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for August 2020. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement and trends, and revenue and expense analysis reports for the period ending August 2020 and stated that all departments are operating at or below the targeted expenditure percentage of 67%.

4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams provided an overview of the Contractual Commitments and Needs Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and the payout summary for the Water Revenue Bond Series 2018A through August 2020.

4.5) Consideration and Possible Action on Approval of Resolution No. 20-14 Being a Resolution of the Board of Directors of the Palmdale Water District Adopting an Amendment to Appendix M, Bid Procurement and Change Order Policy, of the Palmdale Water District's Rules and Regulations. (No Budget Impact – Assistant General Manager Ly)

Assistant General Manager Ly provided an overview of the proposed revisions to Appendix M, and after discussion of the revisions, the current policy, and of the District's Rules and Regulations and revisions over the years, it was moved by Chair Dizmang, seconded by Committee Member Wilson, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation to approve Resolution No. 20-14 being a Resolution of the Board of Directors of the Palmdale Water District Adopting an Amendment to Appendix M, Bid

Procurement and Change Order Policy, of the Palmdale Water District's Rules and Regulations and that this item be considered by the full Board at the October 12, 2020 Regular Board Meeting.

5) Reports.

5.1) Finance Manager Williams:

a) Effect of COVID-19 Event.

Finance Manager Williams stated that due to COVID-19 events, as of August 31, there were 971 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$383,388 compared to 870 accounts at July 31 with an outstanding balance of \$313,404; that there is an increase in 90+ day delinquencies; that cash received for August 2020 was \$172,537 higher than July 2020 consistent with increased water sales; and that cash received September 1 – 14, 2020 is \$116,043 higher than the same 14 day period in August 2020 followed by discussion of water sales, cash collections, revenues, and comparisons with 2019.

b) Revenue Projections.

He then stated that revenue is ahead of projections by approximately \$825,000.00.

c) Status of Refunding 2020A Series Taxable Water Bonds.

He then stated that \$17.4 million in 2013A outstanding bonds are proposed to be refunded as they can currently produce a present value savings of 5% or more; that legal documents for this refunding will be presented to the full Board for consideration at the October 12, 2020 Regular Board Meeting with a target sale date of October 20 contingent upon the market remaining under current conditions; and that a credit review call is scheduled for later today.

5.2) Financial Advisor Egan:

a) Debt Service Coverage Status.

Financial Advisor Egan stated that the Debt Service Coverage for the period of September 2019 through August 2020 is 1.83 and that the District's historic Debt Service

Coverage will be considered by the credit reviewing agency later today with an anticipated positive result.

6) **Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

7) **Date of Next Committee Meeting.**

It was determined that the next Finance Committee meeting will be held October 22, 2020 at 1:00 p.m.

8) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:00 p.m.


Chair