



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

February 24, 2021

BOARD OF DIRECTORS

AMBERROSE MERINO

Division 1

DON WILSON

Division 2

GLORIA DIZMANG

Division 3

KATHY MAC LAREN-GOMEZ

Division 4

VINCENT DINO

Division 5

AGENDA FOR A MEETING OF THE RESOURCE AND FACILITIES COMMITTEE OF THE PALMDALE WATER DISTRICT TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE OR VIA TELECONFERENCE Committee Members: Vincent Dino-Chair, Amberrose Merino

FOR THE PUBLIC: VIA TELECONFERENCE ONLY
DIAL-IN NUMBER: 571-748-4021 ATTENDEE PIN: 998-193-326#
Submit Public Comments at: <https://www.gomeet.com/998-193-326>

**MONDAY, MARCH 1, 2021
10:00 a.m.**

DENNIS D. LaMOREAUX

General Manager

ALESHIRE & WYNDER LLP

Attorneys

NOTE: 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.

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.

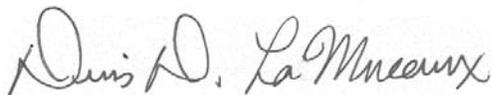
PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will 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) Roll call.
- 2) Adoption of agenda.
- 3) 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 September 29, 2020.
- 4.2) Review and discussion of existing Water Transfer/Exchange Agreements. (Resource and Analytics Director Thompson II)
- 4.3) Consideration and possible action on a recommendation on a term sheet for a Long Term Transfer Agreement with Westside Districts and authorization to begin and share in CEQA costs for the Agreement. (Resource and Analytics Director Thompson II)
- 4.4) Consideration and possible action on a recommendation on water district long term transfer with Littlerock Creek Irrigation District. (Resource and Analytics Director Thompson II)
- 4.5) Discussion of potential Water Transfer/Exchange Agreements. (Resource and Analytics Director Thompson II)
- 4.6) Consideration and possible action on a recommendation to purchase a new water truck. (\$110,000.00 – Budgeted – Budget Item No. CIP-Truck No. 4 and Truck No. 67 – Facilities Manager Bligh)
- 5) Reports.
 - 5.1) Resource and Analytics Director Thompson II:
 - a) 2021 State Water Project allocation use.
 - b) Water Conservation and Education Garden.
 - 5.2) Engineering/Grant Manager Rogers:
 - a) Littlerock Reservoir Sediment Removal Project.
 - b) Palmdale Regional Groundwater Recharge and Recovery Project.
- 6) Board members' requests for future agenda items.
- 7) Date of next Committee meeting.
- 8) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE WATER DISTRICT
COMMITTEE MEMORANDUM**

DATE: February 22, 2021 **March 1, 2021**
TO: RESOURCE & FACILITIES COMMITTEE **Committee Meeting**
FROM: Mr. Peter Thompson II, Resource and Analytics Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 4.3 – CONSIDERATION AND POSSIBLE ACTION ON A TERM SHEET FOR A LONG TERM TRANSFER AGREEMENT WITH WESTSIDE DISTRICTS AND AUTHORIZATION TO BEGIN AND SHARE IN CEQA COSTS FOR THE AGREEMENT. (RESOURCE AND ANALYTICS DIRECTOR THOMPSON II)*

Recommendation:

Staff recommends the acceptance of the term sheet for a long term transfer agreement with Westside Districts and authorization to begin and share in California Environmental Quality Act (CEQA) compliance costs for the agreement.

Background:

The approval of the Water Management Tools Amendment to the District’s State Water Project (SWP) contract, enables the District to enter into long term transfer agreements with other State Water Contractors. These agreements allow State Water Contractors to set terms that include exchanging funds for water.

Staff has worked on developing a term sheet with the Westside Districts that would enable the District to transfer water to the Westside Districts in years of higher SWP allocation years where the District does not have immediate use for the water supply. In return, the District will receive funds from the Westside Districts for the transferred water in accordance with the term sheet. These funds could be used to support water resiliency projects for the District, including local storage, banking programs, and surface water supply purchases. Staff believes that the terms set forth are fair in value and flexible enough to adapt to the District’s changing needs.

Upon mutual acceptance of the terms sheet, the District and the Westside Districts shall begin work on fashioning the term sheet into an official agreement. This agreement would come before all the District’s Boards for final approval.

Concurrent with developing the agreement, the parties seek to begin CEQA compliance work. The CEQA cost, estimated at \$25,000 total, would be shared equally between the District and the Westside Districts.

RESOURCE AND FACILITIES COMMITTEE
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

February 22, 2021

Strategic Plan Element/Mission Statement:

This work is part of Strategic Initiative 1 – Water Resource Reliability.

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

Budget:

The cost to complete CEQA compliance will be covered under PWD Operating Budget for 2021 under Consultants, Budget Item No. 1-02-5070-007.

Supporting Documents:

- Term Sheet-Palmdale Water District-Westside Water Districts

TERM SHEET FOR MULTI-YEAR WATER TRANSFER PROGRAM BETWEEN PALMDALE WATER DISTRICT AND THE WESTSIDE DISTRICTS¹

1. **Background:**

Palmdale Water District (“Palmdale”) and the Westside Districts (“Westside”) each have water supply contracts, directly or indirectly, with the California Department of Water Resources (“DWR”) for water from the State Water Project (“SWP”). Both Palmdale and Westside desire to increase their flexibility for the use of their respective SWP Table ‘A’ (“Table A”) amounts. Palmdale has local and groundwater supplies with the potential of meeting Palmdale’s water demands for multiple years; however, in certain years Palmdale receives a Table A allocation above its immediate needs and Palmdale could better benefit from a water transfer that delivers a portion of its Table A water (“Transfer Water”) to others to provide funding for local projects that will reduce its reliance on SWP water. Westside is highly reliant on the SWP to provide water for its existing agricultural water demands. The five Westside Districts have each developed a portfolio of water transfer, exchange, and banking programs, but with the decreasing delivery capacity of the SWP, in almost every year the Westside needs additional water supplies to maintain landowner investments in existing irrigated farmland.

The DWR and the SWP contractors are in the process of implementing the Water Management Amendment to the SWP Water Supply Contracts, which among other water management tools, allows SWP contractors to engage in multi-year water transfers. Palmdale, Dudley Ridge Water District (“Dudley”), and Kern County Water Agency (“KCWA”) have all executed the Water Management Amendment.

Accordingly, Palmdale and Westside propose to initiate a long-term Water Transfer Program (“Program”) for their mutual benefit and better water management of their SWP and other supplies.

2. **Determination of Transfer Water:**

- a. Term: Term of the Program shall be from the date all approvals have been obtained (assumed early 2021) through December 31, 2035.

¹ The Westside Districts are comprised of Dudley Ridge Water District and four Member Units of the Kern County Water Agency (Belridge WSD, Berranda Mesa WD, Lost Hills WD, and Wheeler Ridge-Maricopa WSD)

- b. Quantity of Transfer Water: Palmdale shall annually, by February 15 of each year, evaluate the quantity of water available for the Program and provide Westside the estimated quantity of Transfer Water available for the calendar year. On or before June 1, Palmdale shall provide Westside the final updated Transfer Water quantities for the year. The minimum and maximum quantities of Transfer Water in acre-feet (“AF”) made available to Westside through December 31, 2025 shall be based on the May 1 SWP delivery allocation, as shown in the table below. Palmdale may revise the Minimum and Maximum Quantities for years 2026-2030 and 2031-2035. These revisions must be submitted to Westside by December 31st, 2025 and December 31st, 2030 respectively. Westside shall have the option to either accept the revised Minimum Quantities or terminate the Program.

SWP Allocation	Minimum AF	Maximum AF
30%	0	1,000
40%	0	3,000
50%	0	5,000
55%	1,000	6,000
60%	2,000	7,000
70%	4,000	9,000
80%	6,000	11,000
90%	8,000	13,000

For any Transfer Water made available beyond the above minimum quantities, Palmdale shall have complete discretion on what, if any, additional Transfer Water is made available under the Program and Westside shall have the option, but not the obligation, to purchase any or all of the additional Transfer Water made available by Palmdale.

- c. Westside Obligation for Transfer Water: Westside shall be obligated to pay for the Minimum Quantity of Transfer Water made available by Palmdale each year, whether or not Westside takes delivery of the Transfer Water. Transfer water not delivered will not be carried over for delivery from Palmdale into another year, but, to the extent allowable by DWR, Westside may take delivery of the Transfer Water at the Point of Delivery for storage by Westside in San Luis Reservoir for future delivery.
- d. Confirmation and Scheduling of Transfer Water: Within 10 days after receipt of Palmdale’s final updated quantity of Transfer Water, it is the intent that Palmdale and Westside finalize the quantity of Transfer Water and Palmdale, in coordination with Dudley and KCWA, shall notify DWR of the transfer and preliminary delivery schedule.

- e. Westside Allocation: Westside shall decide annually how the Transfer Water shall be prorated between them, but typically 14.34% would be allocated to Dudley and 85.66% to the four aforementioned KCWA Member Units, however, in some years all Transfer Water may be delivered to KCWA.

3. Conveyance to Westside:

- a. Point of Delivery: San Luis Reservoir.
- b. Delivery Schedules: Palmdale, in coordination with Westside, shall submit monthly water delivery schedules to DWR for delivery of the Transfer Water to Westside.

4. Payments:

- a. Westside shall be responsible for the DWR Variable charges for conveying the water from the Point of Delivery to Westside's service areas in Kings County (Dudley) and Kern County (KCWA).
- b. Within 45 days of finalizing the quantity of Transfer Water each year (refer to paragraph 2.d), Westside shall pay Palmdale for all Transfer Water for that year. Starting in 2021, payments will be made in accordance with the following:

<u>SWP Allocation</u>	<u>Rate (/AF)</u>
76% to 100%	\$150
56% to 75%	\$325
31% to 55%	\$550
0% to 30%	TBD

The above Rate shall be re-negotiated prior to December 31, 2025 and again prior to December 31, 2030. However, beginning in 2022 and continuing through 2025, the Rate shall increase annually by five percent (5%).

5. Approvals:

- a. Palmdale and Westside shall cooperate with each other in processing and obtaining DWR approvals associated with the Program.
- b. Palmdale and Westside shall cooperate with each other and DWR in determining and completing any environmental reviews associated with the Program. To the extent required, Palmdale and Westside shall share equally the costs for a consultant, if needed, to prepare environmental documents for the Program; Palmdale shall act as Lead Agency.

- c. Palmdale and Westside shall each be responsible for their own review and processing required agreements, environmental documents, and other transaction costs.

6. Other Conditions:

- a. This Term Sheet is not intended to be binding on either Palmdale or Westside. Neither party shall be bound until the SWP water management amendment is in effect, the required environmental review has been completed, and mutually acceptable documents have been developed and executed.
- b. The respective obligations of each party shall be suspended while it is prevented from complying by acts of God, war, riots, civil insurrection, acts of civil or military authority, fires, floods, earthquakes, labor accidents or incidents, rules and regulations of any governmental agency (other than the Parties themselves), or other cause of the same or other character any of which are beyond the reasonable control of either party (collectively, "Force Majeure"). In the event of a suspension due to the Force Majeure, the party whose obligations are suspended shall promptly notify the other party in writing of such suspension and the cause and estimated duration of such suspension.

Terms acknowledged and agreed to by:

Palmdale Water District:

Dudley Ridge Water District:

Dennis D. LaMoreaux, General Manager

Mark A. Gilkey, General Manager

Lost Hills Water District:

Mark A. Gilkey, General Manager

Berrenda Mesa Water District:

Mark A. Gilkey, General Manager

Belridge Water Storage District:

Mark A. Gilkey, General Manager

**Wheeler Ridge - Maricopa Water
Storage District:**

Sheridan Nicholas, Engineer-Manager

**PALMDALE WATER DISTRICT
COMMITTEE MEMORANDUM**

DATE: February 22, 2021 **March 1, 2021**
TO: RESOURCE & FACILITIES COMMITTEE **Committee Meeting**
FROM: Mr. Peter Thompson II, Resource and Analytics Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 4.4 – CONSIDERATION AND POSSIBLE ACTION ON A RECOMMENDATION ON WATER DISTRICT LONG TERM TRANSFER WITH LITTLEROCK CREEK IRRIGATION DISTRICT. (RESOURCE AND ANALYTICS DIRECTOR THOMPSON II)*

Recommendation:

Staff recommends the approval of a long-term transfer agreement with Littlerock Creek Irrigation District (LCID) based on the mutually developed term sheet.

Background:

The approval of the Water Management Tools Amendment to the District’s State Water Project (SWP) contract enables the District to enter into long term transfer agreements with other State Water Contractors. These agreements allow State Water Contractors to set terms that include exchanging funds for water.

Staff has worked on developing a term sheet with the LCID that is mutually beneficial to both Districts. LCID has limited need for surface water through the SWP for the next fifteen years. The District needs more flexibility in its surface water supply to help cope with low SWP allocation and variable water from Littlerock Dam. This agreement allows the district to exchange funds or groundwater for the transfer rights of 75% to 100% of LCID’s SWP allocation. PWD benefits from an increase to its base SWP supply and Littlerock receives funds to help invest in infrastructure and projects to improve its long-term water resiliency.

The fundamentals of the terms are as follows:

PWD will pay \$400,000 annually to LCID for their full SWP allocation during allocation years greater than 20%. PWD will transfer ground water to LCID in the amount of 350 acre-feet during allocation years of 20% or less. LCID has the option to retain up to 25% of its allocation in any year. If LCID retains a portion of its allocation, it will reduce PWD’s cost in either funds or groundwater proportionately for that year.

RESOURCE & FACILITIES COMMITTEE
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

February 22, 2021

District and LCID's staff and attorneys are working on developing an agreement based on the attached term sheet. Once completed, this agreement will come before both Boards for final approval.

Strategic Plan Element/Mission Statement:

This work is part of Strategic Initiative 1 – Water Resource Reliability.

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

Budget:

No cost at this time. Water purchased through this transfer agreement would come from the Water Purchases budget.

Supporting Documents:

- Term Sheet-Palmdale Water District and LCID.

LCID-PWD Long-Term Transfer

Term Sheet

LCID and PWD seek to enter a mutually beneficial Long-Term Transfer of a portion of LCID's SWP TABLE A annual allocation. Below are the terms for this arrangement:

1. LCID will transfer between 75% and 100% of its annual SWP Table 'A' allocation to PWD.
2. PWD will pay LCID for the transferred water at a proportional rate based on \$400,000 for 100% of the annual SWP Table 'A' allocation.
 - a. The minimum payment amount will be \$300,000 annually for the 75% of annual SWP Table 'A' allocation.
 - b. In years where the SWP Table 'A' allocation is 20% or less, PWD may make payment by a groundwater right exchange to LCID in the amount of 350 acre feet, subject to the Antelope Valley Watermaster's approval.
 - c. The transfer payment, or groundwater right transfer, will be due thirty days after the year's transfer amount is finalized, but no later than August 1st of each year.
3. LCID may choose to take up to 25% of the SWP Table 'A' annual allocation.
 - a. LCID will inform PWD in writing, no later than 30 days from the date of DWR's final allocation, what percentage of the SWP Table 'A' annual allocation it wishes to retain for its own uses and delivery.
 - b. The percentage that LCID retains will deduct proportionally from PWD's payment to LCID.
4. PWD's payment amount will be based on the total percentage of LCID's allocation transferred that year multiplied by \$400,000 except as provided in Section 2.b for an annual SWP allocation of 20% or less.
5. LCID's annual option to take up to 25% may be revised by mutual agreement of LCID and PWD in the years 2025 and 2030.
6. The term of this transfer agreement extends to December 31, 2035.

This transfer agreement may be extended on mutual agreement of LCID and PWD when the SWP Contract is extended past 2035.

Examples:

Full LCID Table 'A' allocation is 2,300 acre-feet on an annual basis. DWR releases its final allocation percentage available for the year by the end of June each year. The allocations have ranged between 5% and 100% historically.

50% Allocation year example:

Total available water equals $2,300 \text{ AF} * 50\% = 1,150 \text{ AF}$ available.

LCID chooses to retain $25\% * 1,150 \text{ AF} = 287.5 \text{ AF}$

PWD receives $75\% * 1,150 \text{ AF} = 862.5 \text{ AF}$

PWD pays $75\% * \$400,000 = \$300,000$

5% Allocation year example:

Total available water equals $2,300 \text{ AF} * 5\% = 115 \text{ AF}$ available.

LCID chooses to retain $0\% * 115 \text{ AF} = 0 \text{ AF}$

PWD receives $100\% * 115 \text{ AF} = 115 \text{ AF}$

PWD pays $100\% * \$400,000 = \$400,000$ or 350 AF in groundwater right transfer = 350 AF

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: February 22, 2021 **March 1, 2021**
TO: RESOURCE & FACILITIES COMMITTEE **Committee Meeting**
FROM: Mr. Chris Bligh, Facilities Manager
VIA: Mr. Adam Ly, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 4.6 – CONSIDERATION AND POSSIBLE ACTION ON A RECOMMENDATION TO PURCHASE A NEW WATER TRUCK. \$110,000.00 – BUDGETED – BUDGET ITEM NO. CIP-TRUCK NO. 4 AND TRUCK NO. 67 – FACILITIES MANAGER BLIGH)***

Recommendation:

Staff recommends the approval of the purchase of a new water truck to replace the current water truck.

Alternative Options:

The Board can choose to not replace this equipment at this time.

Impact of Taking No Action:

The District would keep inefficient equipment in its fleet.

Background:

Staff requests the replacement of a 1999 Chevrolet Water Truck (Truck No. 67) with a new 2021 Kenworth Water Truck. Truck No. 67 is not only 21 years old but is also a converted dump truck with a long history of mechanical breakdowns, and that history continues to grow.

Strategic Plan Element:

This work is part of Strategic Element 3 – Systems Efficiency.
This item directly relates to the District’s Mission Statement.

Budget:

The quoted purchase price is under \$110,000. These funds will be provided by combining the budgeted replacement costs for Truck No. 67 (current water truck) of \$65,000 with Truck No. 4 (dump truck) of \$65,000 for a total of \$130,000. We will still have 3 dump trucks in service.