MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, MARCH 27, 2013:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, March 27, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Kathy Mac Laren, called the meeting to order.

1) Pledge of Allegiance.

At the request of President Mac Laren, Director Dizmang led the pledge of allegiance. President Mac Laren then stated that a moment of silence will be observed in honor of Michael Valenzuela, who was involved in a tragic accident with a school bus, and in honor of our troops.

President Mac Laren then welcomed students and parents from the Palmdale School District to the Board meeting and thanked them for their participation in the District's water awareness contests.

2) Roll Call.

Attendance:	**Others Present:**
Kathy Mac Laren, President	Dennis LaMoreaux, General Manager
Gordon Dexter, Vice President	Jim Ciampa, Attorney
Gloria Dizmang, Treasurer	Matt Knudson, Engineering Manager
Robert Alvarado, Secretary	Tim Moore, Facilities Manager
Steve Cordova, Director	Claudette Beck, Water Conservation Supervisor
	Kelly Jeters, Systems Supervisor
	Randy Hardenbrook, Equipment Mechanic Spvsr.
	Linda Garza, Water Conservation Aide
	Dawn Deans, Executive Assistant
	53 members of the public

3) Adoption of Agenda.

It was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Presentations:

5.1) Water Awareness School Educational Program Contest Winners. (Water Conservation Supervisor Beck)

Water Conservation Supervisor Beck welcomed everyone to the District and thanked them for their participation in the District's educational program, recognized teachers, principals, and the artwork submitted by the students, and then introduced Water Conservation Aide Garza who announced the contest winners and presented them with their certificate and prize followed by group photographs and refreshments. A list of winners is hereby made a portion of the minutes of this meeting.

President Mac Laren then thanked everyone for their participation, invited everyone to attend Thursday-Night-on-the-Square to visit Aquadog, and at 7:22 p.m., called for a three-minute recess. She reconvened the regular meeting at 7:25 p.m.

6) Action Items – Consent 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.)

6.1) Approval of Minutes of Regular Meeting Held March 13, 2013.

6.2) Payment of Bills for March 27, 2013.

It was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried to approve those items included in the Consent Calendar.

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) Public Hearing Regarding Resolution No. 13-6, a Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units. (Engineering Manager Knudson)

President Mac Laren called for a motion and a second to open the public hearing on this item after which it was moved by Director Dizmang, seconded by Director Dexter, and unanimously carried to open the public hearing regarding Resolution No. 13-6, a

Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units.

Engineering Manager Knudson then provided an overview of the District's compliance with advertising and noticing requirements for the public hearing and regarding updating the capital improvement fees based on the 2012 construction cost index, the purpose of capital improvement fees, staff's recommendation to approve Resolution No. 13-6, and discussions with the BIA regarding modifications to the capital improvement fee structure in the event a Water Supply Fee is established and then clarified that the increase in capital improvement fees will have no impact on existing ratepayers and that these fees are paid by new development to expand the water system for new connections.

Ms. Marta Golding-Brown, Antelope Valley Director of the Building Industry Association (BIA) Los Angeles and Ventura Chapter, provided a background on the BIA and then stated that their Board has reviewed Resolution No. 13-6, and the BIA requests the District delay the adoption of Resolution No. 13-6 for raising the capital improvement fee until the Water Supply Fee study is complete so the fees can be reviewed as one package; that once this study is complete, the District's Board will have a better picture of fees and the associated infrastructure needed for either new or existing customers; that they support the development of a Water Supply Fee and understand the role of new development paying for new infrastructure; and that the District's capital improvement fee has not been raised since 2006 and could be delayed until the Water Supply Fee study is complete.

After a brief discussion of these comments and of the District's outreach to the BIA on this item, it was moved by Director Dexter, seconded by Director Alvarado, and unanimously carried to close the public hearing.

7.2) Consideration and Possible Action to Adopt Resolution No. 13-6, a Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units. (Engineering Manager Knudson)

Director Dizmang moved to delay adoption of Resolution No. 13-6, a Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units. The motion died for lack of a second.

General Manager LaMoreaux then stated that staff recommends adoption of Resolution No. 13-6 and then reviewed the District's current capital improvement fee structure, the proposed structure with the Water Supply Fee, and the effect of delaying adjustment of the capital improvement fees, and after a brief discussion of infrastructure projects and of Resolution No. 13-6, it was moved by Director Alvarado, seconded by Director Dizmang, and carried on a 4 – 1 vote, with Director Dexter opposed, to adopt Resolution No. 13-6, a Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units.

A copy of said Resolution No. 13-6 is hereby made a portion of the minutes of this meeting.

7.3) Consideration and Possible Action on District Membership in Greater Antelope Valley Economic Alliance. ($2,500.00 – Budgeted – General Manager LaMoreaux)

After a brief discussion of the benefit to the District from membership in the Greater Antelope Valley Economic Alliance, it was moved by Director Dexter, seconded by Director Cordova, and unanimously carried to approve District membership in the Greater Antelope Valley Economic Alliance in the amount of $2,500.00.

7.4) Consideration and Possible Action on Awarding a Professional Services Agreement to Conduct a Water Supply Fee Analysis Based on the Adopted Strategic Water Resources Plan. ($23,851.00 – Budgeted – Engineering Manager Knudson/Water Supply & Reliability Committee)

Engineering Manager Knudson reviewed staff's and the Water Supply & Reliability Committee's recommendation to approve a Professional Services Agreement with Carollo Engineers in the amount of $23,851.00 for this work, the Requests for Proposals, and the three proposals received, and after a brief discussion, it was moved by Director Dizmang, seconded by Director Alvarado, and unanimously carried to approve a Professional Services Agreement with Carollo Engineers in the not-to-exceed amount of $23,851.00 to conduct a water supply fee analysis based on the adopted Strategic Water Resources Plan.

7.5) Consideration and Possible Action on Board and Staff Attendance at Conferences, Seminars, and Training Sessions as Follows:

a) **California Special Districts Association "Special Districts Legislative Days" to be Held May 14 – 15, 2013 in Sacramento.**

After a brief discussion, it was moved by Director Dexter, seconded by Director Cordova, and unanimously carried to approve Board and staff attendance at conferences, seminars, and training sessions as follows: California Special Districts Association "Special Districts Legislative Days" to be Held May 14 – 15, 2013 in Sacramento.

8) Information Items.

8.1) Reports of Directors: Meetings/Committee Meetings/General Report.

Director Dexter reported that he attended two Committee meetings and the Palmdale Recycled Water Authority meeting; that at the Facilities Committee meeting, there were extensive discussions on Palmdale Ditch including its operation, potential weaknesses, and budgetary matters regarding repair; that this conveyance is a very small portion of the District's water; and that with a tight budget, there are other items in need of repair; that at the Water Supply & Reliability Committee meeting, there was an update on the decrease in the District's State Water Project allocation to 35%, and it is a very dry year with less than normal precipitation; and that in the Palmdale Recycled Water Authority meeting, Helen Gonzalez was seated as the fifth Board member; that development of the Authority is still under consideration with the ground rules and bylaws, and it will be an interesting half a year until these matters are settled; and that in the meantime, the Authority is active, and the Board has, as an organization, started to deliver recycled water to McAdam Park.

Director Alvarado reported that on March 19, he attended the Facilities Committee meeting where the Committee met with the entire team of supervisors and managers representing the water treatment plant and those overseeing our buildings, boosters, and wells; that they are doing a fantastic job of running our operations; and he thanked staff for their hard work; that on March 20, he attended the Palmdale Recycled Water Authority Board meeting where Helen Gonzalez was sworn in, and we're glad that there is now a complete five member Palmdale Recycled Water Authority Board.

Director Dizmang reported that she attended the Palmdale Recycled Water Authority meeting on March 20, the Water Supply & Reliability Committee meeting on March 22, and also participated, as did all Board members, in judging posters for the Water Awareness School Educational Program contests.

President Mac Laren reported that she also judged the posters; that staff did a very good job, and the award of prizes was a good and enjoyable celebration and gives encouragement to the community's young children; and that they learn what plants are drought tolerant so there is education and fun provided; that she also attended the Palmdale Recycled Water Authority meeting and was happy that the fifth Board member was seated; that the Authority is new and is coming together; and that the City and the District are working very well together to make it as smooth as possible, and it seems like everyone wants this organization to work.

There were no further reports from Directors.

8.2) Report of General Manager.

a) District vacancies.

General Manager LaMoreaux reported that the list of current District vacancies was provided in the agenda packets.

b) Palmdale Recycled Water Authority Status.

General Manager LaMoreaux reported that the third meeting of the Palmdale Recycled Water Authority meeting was held and, as reported, now has a full Board and that the staff and legal counsel of the Authority, financial representatives from the City, and I.T. representatives of both organizations are scheduled to meet tomorrow to review matters of this organization to ensure the success of the Authority.

8.3) Report of Attorney.

Attorney Ciampa reported that Brown Act issues regarding the personal use of Directors' emails are mentioned in ethics training under AB1234; that in a recent case on this subject from the San Jose area, the court ruled that text messages and emails on Directors' personal electronic devices are disclosable under the Public Records Act; that the City of San Jose has not stated whether or not they will appeal this decision; that there are two prior cases of litigation with one decided in a city's favor on a technicality and one with a city settling the matter and agreeing to disclose the information; that this is a matter they will continue to watch; and that he urges Directors to use a District email address for District-oriented business followed by discussion of the difference between disclosable and discoverable items, the issues of the San Jose case, and the Directors' ability to log on to the District's Outlook to conduct District business.

9) **Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

At 8:10 p.m., President Mac Laren called for a three-minute recess. She reconvened the regular meeting at 8:13 p.m.

10) **Closed Session Under:**

10.1) Government Code Section 54956.9(a), Existing Litigation: ***Antelope Valley Ground Water Cases.***

10.2) Government Code Section 54956.9(a), Existing Litigation: ***United States, Et Al v. J-M Manufacturing Company, Inc. Et Al, United States District Court for the Central District of California Case No. Ed CV06-0055-GW.***

10.3) Government Code Section 54956.9(a), Existing Litigation: ***Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-8900000561.***

10.4) Government Code Section 54956.9(a), Pending Litigation: ***Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216.***

10.5) Government Code Section 54956.9(a), Pending Litigation: ***Miller v. Fairweather, Et Al, Los Angeles Superior Court Case No. MC023677.***

At 8:13 p.m., President Mac Laren called for a closed session pursuant to Government Code Section 54956.9(a), Existing and Pending Litigation – Five Cases: *Antelope Valley Ground Water Cases* and *United States, Et Al v. J-M Manufacturing Company, Inc. Et Al, United States District Court for the Central District of California Case No. Ed CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216* and *Miller v. Fairweather, Et Al, Los Angeles Superior Court Case No. MC023677.*

She reconvened the regular meeting at 8:20 p.m.

11) **Public Report of Any Action Taken in Closed Session.**

Attorney Ciampa reported that a closed session had been held under Government Code Section 54956.9(a), Existing and Pending Litigation – Five Cases: *Antelope Valley Ground Water Cases* and *United States, Et Al v. J-M Manufacturing Company, Inc. Et Al, United States District Court for the Central District of California Case No. Ed CV06-0055-GW* and *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-8900000561* and *Velez v. City of Palmdale, Et Al, Los Angeles Superior Court Case No. MC023216* and *Miller v. Fairweather, Et Al, Los Angeles Superior Court Case No. MC023677*; that the Board was updated as to the current status of each of these items of existing litigation; but that no reportable action under the Brown Act was taken in closed session on any of these matters.

12) Board Members' Requests for Future Agenda Items.

Director Alvarado requested that General Manager LaMoreaux develop a list of all District plans and studies that are needed or need updating in the next ten years so these plans are completed in a timely manner after which General Manager LaMoreaux stated that this information will be provided under his report at the next regular Board meeting.

There were no further requests for future agenda items.

13) Adjournment.

There being no further business to come before the Board, the regular meeting of the Board of Directors of the Palmdale Water District was adjourned.

Robert E. Alvarado

Secretary

KINDERGARTEN

1ST Alexander Fuentes
Tumbleweed/ Rise After School Program
Ms. Martinez

2nd Christian Alas
Tumbleweed/ Rise After School Program
Ms. Martinez

3rd Romeo Garcia
Tumbleweed/ Rise After School Program
Ms. Martinez

FIRST GRADE

1ST Andy Orellana
Tumbleweed/ Rise After School Program
Ms. Martinez

2nd Ulaine Alvarado
Tumbleweed/ Rise After School Program
Ms. Martinez

3rd David Cortez
Tumbleweed/ Rise After School Program
Ms. Martinez

SECOND GRADE

1ST Mercedes Terrones
Tumbleweed/ Rise After School Program
Ms. Martinez

2nd Odrienna Dyer
Tumbleweed/ Rise After School Program
Ms. Kathleen

3rd Valerie Cardenas
Tumbleweed/ Rise After School Program
Ms. Kathleen

THIRD GRADE

1ST Samuel Barajas
Tumbleweed / Rise After School Program
Ms. Kathleen

2ND Vanessa Albarron
Tumbleweed / Rise After School Program
Ms. Kathleen

3rd Jessie Medina
Tumbleweed / Rise After School Program
Ms. Kathleen

FOURTH GRADE

1ST Karla Ramos
Tumbleweed School
Mrs. Lockwood

2nd Bianca Gonzalez
Buena Vista
Ms. Cervantes

3rd Joseph Marquez
Buena Vista
Ms. Cervantes

SIXTH GRADE

1ST Brianne Jacome
~~Joshua Hills~~
~~Mrs. McNairy~~ Cimarron Mr. Butler

2nd Kameron Wilson
Joshua Hills
Mrs. McNairy

3rd Nelson Hernandez
Joshua Hills
Mrs. McNairy

RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT MODIFYING THE POLICY REGARDING CAPITAL IMPROVEMENT FEES FOR SINGLE FAMILY RESIDENTIAL UNITS

RESOLUTION NO. 13-6

WHEREAS, following an update of its master plan in 1989, Palmdale Water District ("District") adopted a Capital Improvement Plan ("CIP") and a Capital Improvement Fee Policy ("Policy") which is set forth in Exhibit "H" to the District's Rules and Regulations; and

WHEREAS, the Policy established Capital Improvement Fees ("CIF") to be paid in connection with new service connections within the District's service area; and

WHEREAS, the new capital improvements identified in the CIP are the basis for determining the CIF under the Policy; and

WHEREAS, the purpose of the CIF is to create a fund to finance the estimated reasonable cost of capital improvements shown on the CIP to meet anticipated demand for water service arising from new connections; and

WHEREAS, as required under California Government Code Section 66002(b), the District has annually reviewed and, when necessary, updated the CIP and, based upon changes to the CIP, has modified the Policy and adjusted the CIF in accordance therewith; and

WHEREAS, since the initial planning period for the CIP would have expired in 1996, the District engaged Montgomery Watson in June, 1995, to review, study and update its master plan and to make recommendations to modify the CIP to meet projected needs and demands through the year 2005; and

WHEREAS, in January, 1996, Montgomery Watson submitted its final report entitled Water System Master Plan ("1996 Master Plan"), which report, among other things, made recommendations concerning the CIP to meet projected growth and development through year 2005; and

WHEREAS, on September 19, 1996, the District adopted the 1996 Master Plan which contained an updated CIP; and

WHEREAS, the 1996 Master Plan constituted an updating of the CIP, which update included the identification of recommended capital improvements to the District's water system and the estimated cost of constructing the capital facilities required to accommodate projected growth and development through year 2005; and

WHEREAS, following properly noticed and conducted public hearings in 1997, 1998, 1999, and 2000, the District duly adopted resolutions which updated the Capital Improvement Policy and modified the CIF; and

WHEREAS, in 2000, the District retained Montgomery Watson to review, study, and update the 1996 Master Plan and, among other things, make recommendations concerning the CIP to meet projected needs through year 2010; and

WHEREAS, in March 2001, Montgomery Watson submitted its final report entitled Water System Master Plan ("2001 Master Plan") including recommended modifications of the CIP, and the District has approved that report and adopted it as the District's 2001 Master Plan; and

WHEREAS, following properly noticed and conducted public hearings in 2001, 2002, 2003, 2004, 2005, and 2006 the District adopted Resolutions which updated the Capital Improvement Policy and modified the CIF; and

WHEREAS, in light of the economic slowdown which has impacted growth and development within the District in the past five years, the District has not made changes to the CIP over those years; and

WHEREAS, the District has considered the increased costs of constructing the capital facilities identified in the CIP which have occurred since the last modification of the CIF in 2006, and the impact on capital improvement fees payable under the policy and has documented those changes in the attached table titled "Comparison to 2006-2007 CIF Schedule" and determined that the policy and the fees should be modified; and

WHEREAS, the District has given and published the required notices and conducted a public hearing with respect to the proposed modification of the Policy and CIF payable thereunder; and

WHEREAS, the Board of Directors of Palmdale Water District has found and determined that the establishment of capital improvement fees is exempt from the requirements of the California Environmental Quality Act pursuant to California Public Resources Code Section 21080(b)(8) and further has found and determined that said fees are for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas.

NOW, THEREFORE, BE IT RESOLVED that, the Board of Directors of Palmdale Water District hereby modifies and amends the Policy by deleting the existing Table 1 from Appendix "H" to the District's Rules and Regulations and inserting in place thereof proposed Table 1 attached hereto and incorporated herein.

FURTHER RESOLVED, that the General Manager of the District be and he hereby is, authorized and directed to implement this modified Policy until further order of the Board.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a duly called and noticed public meeting of said Board held on March 27, 2013.

President — March 27, 2013 (date)

Secretary — March 27, 2013 (date)

PALMDALE WATER DISTRICT
2013
CAPITAL IMPROVEMENT FEE DETERMINATION

2013 Capital Improvement Fee Summary per Service Zone Comparison to 2006-2007 CIF Schedule				
Service/Benefit Zone	Service Zone			
	2800' & 2850'	2950' & 3000'	3200' & 3250'	3400' & 3400'+
All Zones	$ 5,064	$ 5,064	$ 5,064	$ 5,064
2800'/2850'	$ 2,287	$ 555	$ 555	$ 555
2950'/3000'		$ 1,573	$ 698	$ 698
3200'/3250'			$ 8,187	$ 5,634
3400'/3400'+				$ 5,738
CIF for Zone:	$ 7,351	$ 7,192	$ 14,504	$ 17,689
'06-'07 CIF:	$ 5,522	$ 5,366	$ 11,955	$ 14,680
Difference:	$ 1,829	$ 1,826	$ 2,549	$ 3,009
% Change:	33.1%	34.0%	21.3%	20.5%

2013 Capital Improvement Fee Summary per Service Zone Proposed Table 1, Appendix H				
Service/Benefit Zone	Service Zone			
	2800' & 2850'	2950' & 3000'	3200' & 3250'	3400' & 3400'+
All Zones	$ 5,064	$ 5,064	$ 5,064	$ 5,064
2800'/2850'	$ 2,287	$ 555	$ 555	$ 555
2950'/3000'		$ 1,573	$ 698	$ 698
3200'/3250'			$ 8,187	$ 5,634
3400'/3400'+				$ 5,738
CIF for Zone:	$ 7,351	$ 7,192	$ 14,504	$ 17,689

2001 MASTER PLAN RECOMMENDED IMPROVEMENTS Description	2012 Costs (ENR index = 10299.55)	2006 Costs (ENR index = 8546.72)	2005 Costs (ENR index = 8299.28)	2004 Costs (ENR index = 7844.00)
A. Entire System				
1. Adjustments preceding 2001	$ 20,591,000	$ 20,591,000	$ 20,591,000	$ 20,591,000
2. 10 mgd Water Treatment Plant Conventional Plant with Ozone Disinfection (WTP) – 47th & Aqueduct	$ 22,519,831	$ 18,687,291	$ 18,146,267	$ 17,150,803
3. 4,000 ft of 20-inch pipe – 47th St. E. from Ditch to Aqueduct – raw water	$ 1,005,740	$ 834,578	$ 810,416	$ 765,958
4. Aqueduct Turn-Out	$ 1,093,194	$ 907,149	$ 880,886	$ 832,563
5. 5 MG Clearwell – New WTP	$ 2,623,669	$ 2,177,160	$ 2,114,128	$ 1,998,152
6. 120 hp booster pump – WTP to 3000 zone	$ 816,253	$ 677,339	$ 657,729	$ 621,647
7. 4,000 ft of 16-inch pipe – 47th St. E. from WTP to Pearblossom Highway	$ 815,442	$ 676,666	$ 657,076	$ 621,030
8. Engineering	$ 291,519	$ 241,907	$ 234,903	$ 222,017
9. Environmental	$ 291,519	$ 241,907	$ 234,903	$ 222,017
Sub-Total for Entire System	**$ 50,048,167**	**$ 45,034,997**	**$ 44,327,308**	**$ 43,025,187**
B. 2800 Zone				
1. Adjustments preceding 2001	$ (1,479,000)	$ (1,479,000)	$ (1,479,000)	$ (1,479,000)
2. One new well in Lancaster subbasin	$ 1,093,194	$ 907,149	$ 880,886	$ 832,563
3. 4MG Tank – 45th Street Tank site	*$ 1,862,336*	*$ 1,862,336*	$ 1,691,302	$ 1,598,521
Sub-Total for 2800 zone	$ 1,476,530	$ 1,290,485	$ 1,093,188	$ 952,084
C. 2850 Zone				
1. 4 MG Storage Tank – 50th St. E. & Ave. T-8	*$ 2,849,506*	*$ 2,849,506*	*$ 2,849,506*	$ 1,598,521
2. 4 MG Storage Tank – 50th St. E. & Ave. T-8	*$ 1,862,336*	*$ 1,862,336*	$ 1,691,302	$ 1,598,521
3. 7,600 feet of 24-inch pipe – 47th St. E and 50th St. E between Ft. Tejon Rd. and Tank Site	*$ 1,183,744*	*$ 1,183,744*	*$ 1,183,744*	$ 1,687,200
4. 120 hp booster pump from 2800 to 2850 zones – 45th St. Tank site	*$ 2,252,250*	*$ 2,252,250*	*$ 2,252,250*	$ 1,764,000
5. 2,300 feet of 24-inch pipe – 45th St. E. from 45th St. Tanks to 50th St. E.	*$ 394,581*	*$ 394,581*	*$ 394,581*	$ 510,600
6. 6,000 feet of 16-inch pipe – Ave. R-12, 55th St. E., and Ave. R-11	$ 1,472,170	$ 1,221,629	$ 1,186,261	$ 1,121,185
7. Four Pearland subbasin new wells	$ 3,498,226	*$ 2,902,880*	$ 2,818,837	$ 2,664,202
Sub-Total for 2850 zone	$ 13,512,813	$ 12,666,926	$ 12,376,481	$ 10,944,229
2800 and 2850 Total	**$ 14,989,343**	**$ 13,957,411**	**$ 13,469,669**	**$ 11,896,313**
D. 2950 Zone				
1. Adjustments preceding 2001	$ 1,225,000	$ 1,225,000	$ 1,225,000	$ 1,225,000
2. 2 MG Storage Tank – Lower El Camino Tank site	$ 1,325,597	$ 1,100,000	$ 916,121	$ 865,865
3. 12-inch PRV at Well No. 20 (3000'-2950')	$ 152,025	*$ 126,153*	*$ 119,233*	$ 112,692
4. Four Pearland subbasin equip existing cased wells	$ 2,186,392	$ 1,814,301	$ 1,761,774	$ 1,665,127
5. One Pearland subbasin new well	$ 874,558	$ 725,721	$ 704,710	$ 666,051
Sub-Total for 2950 zone	$ 5,763,572	$ 4,991,175	$ 4,726,838	$ 4,534,735
E. 3000 Zone				
No improvements requiring capital expenditures.				
2950 and 3000 Total	**$ 5,763,572**	**$ 4,991,175**	**$ 4,726,838**	**$ 4,534,735**
F. 3200 Zone				
1. 2 MG Storage Tank –SW ¼, Sec. 11, T5N, R12W, W/o Sierra Hwy	$ 1,325,597	$ 1,100,000	$ 916,121	$ 865,865
2. 2,900 ft. of 16-inch pipe – between Sierra Hwy & 2 MG Tank to the west	$ 581,215	$ 482,301	$ 468,338	$ 442,646
3. 6,200 ft. of 16-inch pipe – between Well No. 5 and end of item No. 2	$ 1,242,600	$ 1,031,128	$ 1,001,275	$ 946,347
Sub-Total for 3200 zone	$ 3,149,412.00	$ 2,613,429.00	$ 2,385,734	$ 2,254,858
G. 3250 Zone				
1. Adjustments preceding 2001	$ 3,219,000	$ 3,219,000	$ 3,219,000	$ 3,219,000
2. 3 MG Tank – College Park	$ 1,988,395	$ 1,650,000	$ 1,268,477	$ 1,198,891
3. 175 hp booster pump to 3 MG Tank – 47th St. E. Tank site	$ 1,049,469	$ 870,865	$ 845,652	$ 799,261
4. 8,000 ft of 16-inch pipe – Booster station to tank	$ 1,603,352	$ 1,330,485	$ 1,291,966	$ 1,221,092
Sub-Total for 3250 zone	$ 7,860,216	$ 7,070,350	$ 6,625,095	$ 6,438,244
3200 and 3250 Total	**$ 11,009,628**	**$ 9,683,779**	**$ 9,010,829**	**$ 8,693,102**
H. 3400 Zone				
1. Adjustments preceding 2001	$ 687,000	$ 687,000	$ 687,000	$ 687,000
2. 1 MG storage tank – Upper El Camino Tank site	$ 662,798	$ 550,000	$ 528,533	$ 499,539
3. 2 MG Tank – Mt. Emma Rd.	$ 1,325,597	$ 1,100,000	$ 916,121	$ 865,865
4. 55 hp booster pump to 2 MG Tank – College Park Tank site	$ 481,006	$ 399,146	$ 387,590	$ 366,328
5. 8,700 ft of 16-inch pipe – Booster Station to 2 MG Tank	$ 1,821,992	$ 1,511,916	$ 1,468,144	$ 1,387,605
Sub-Total for 3400 zone	$ 4,978,393	$ 4,248,062	$ 3,987,388	$ 3,806,337
Total Future (10-year CIP)	**$ 86,789,103**	**$ 77,915,424**	**$ 75,522,032**	**$ 71,955,674**

Notes:

1. Costs include 20% for contingencies and 25% for engineering, administration and legal costs.
2. LA ENR Construction Cost Index of 10299.55 (June, 2012)
3. *2001 Costs were based on 2000 ENR Index
4. Item B3 is constructed and actual cost included
5. Items C1 through C5 are constructed and actual costs included
6. One of Four of the wells is constructed and actual cost included
7. Item D3 is constructed and actual cost is included
8. Costs include adjusted estimates for storage tanks based on recent actual cost unit values