PALMDALE RECYCLED WATER AUTHORITY (PRWA)
PALMDALE WATER DISTRICT
2029 EAST AVENUE Q
PALMDALE, CALIFORNIA
REGULAR MEETING AGENDA NO. 3
MARCH 20, 2013
7:00 P.M.

www.cityofpalmdale.org
www.palmdalewater.org.

WELCOME

NOTE: Materials related to an item on this Agenda submitted to the Palmdale Recycled Water Authority Board of Directors, or after distribution of the agenda packet, are available for public inspection at the City of Palmdale City Hall, located at 38300 Sierra Highway, Suite A, Palmdale, California, and at the Palmdale Water District, 2029 East Avenue Q, Palmdale, California during normal business hours and will also be available at the meeting. Those items provided by others at the meeting will be available at City Hall during normal business hours.

A **three-minute time limit** will be imposed on all speakers other than staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Palmdale Water District at least 48 hours prior to the meeting.

Your courtesy is requested to help our meeting run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of your time and ours:

- Please refrain from public displays or outbursts such as unsolicited applause, comments, cheering, foul language, or obscenities.
- Any disruptive activities that substantially interfere with the ability of the Board of Directors to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Please turn off cell phones and pagers.

1. CALL TO ORDER.

2. ROLL CALL: DIRECTORS JAMES C. LEDFORD, JR., GORDON DEXTER, LAURA BETTENCOURT, KATHRYN MAC LAREN, AND VACANT

3. PLEDGE OF ALLEGIANCE.

4. ADMINISTRATION OF OATH OF OFFICE TO DIRECTOR HELEN GONZALEZ.

5. CONSENT CALENDAR:

5.1 Approve the Minutes from the previous meeting held on February 20, 2013. (Staff Reference: Secretary Smith)

Call for Public Comments

Staff Recommendation: Move to approve Item No. 6.1. (Vote - Requires a majority to approve.)

6. SPECIAL REPORTS:

6.1 Consideration and possible action on awarding a Professional Services Agreement with Carollo Engineers, Inc., in an amount not to exceed of $126,667, for the preparation of the Recycled Water Facilities Master Plan, related CEQA/NEPA documentation, and Rate Study and authorize staff and Authority Attorney to finalize the draft Agreement. (Staff Reference: Executive Director LaMoreaux)

Call for Public Comments

Staff Recommendation: Move to approve Item 7.1. (Vote – Requires a majority to approve.)

6.2 Consideration and possible action on Association of California Water Agencies (ACWA) and WateReuse Association memberships. (Staff Reference: Executive Director LaMoreaux)

Call for Public Comments

6.3 Report on the draft By-Laws. (Staff Reference: Authority Counsel Ditzhazy).

There is no Staff Report for this Item.

6.4 Consideration and possible action on the Palmdale Recycled Water Authority's 2013 budget. (Staff Reference: Executive Director LaMoreaux)

Call for Public Comments

7. PUBLIC COMMENTS: This portion of the Agenda allows an individual the opportunity to address the Board of Directors on any subject regarding Palmdale Recycled Water Authority business. Under state legislation, no action can be taken on items not specifically referenced on the Agenda. **PLEASE NOTE: A three-minute time limit** will be imposed on each speaker other than staff members.

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

9. ADJOURNMENT to April 17, 2013 at 7:00 p.m. at City of Palmdale City Hall Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California.

Complete packets can be viewed at City Hall, located at 38300 Sierra Highway, Suite A, Palmdale, California; Palmdale Water District, 2029 East Avenue Q, Palmdale, California, and the Main Library, located at 700 East Palmdale Boulevard, Palmdale, California. You can also view the Agenda for the Palmdale Recycled Water Authority on the City's website at www.cityofpalmdale.org or the Palmdale Water District website at www.palmdalewater.org.

Thank you for attending your Palmdale Recycled Water Authority meeting. If you have any further questions, please contact the Secretary's Office at (661) 267-5151, Monday through Thursday, 7:30 a.m. to 6:00 p.m., closed every Friday.

PALMDALE RECYCLED WATER AUTHORITY (PRWA)
CITY HALL COUNCIL CHAMBER
38300 SIERRA HIGHWAY, SUITE B
PALMDALE, CALIFORNIA
REGULAR MEETING AGENDA NO. 2
FEBRUARY 20, 2013
7:00 P.M.

www.cityofpalmdale.org
www.palmdalewater.org.

1. CALL TO ORDER.

Called to order at 7:00 P.M.

2. ROLL CALL: DIRECTORS JAMES C. LEDFORD, JR., GORDON DEXTER, LAURA BETTENCOURT, KATHRYN MAC LAREN, AND VACANT

Directors Ledford, Dexter, Bettencourt, and Mac Laren were present.

3. PLEDGE OF ALLEGIANCE.

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

Motion: Waive full reading of the Resolution(s) to be considered and voted on at this meeting.
Moved by Director Bettencourt, seconded by Director Mac Laren.

Vote: Motion carried (4-0).
Yes: Chair Ledford and Directors Dexter, Bettencourt and Mac Laren.

5. CONSENT CALENDAR – PUBLIC COMMENTS ONLY:

Public Comments: None.
Authority Counsel Ditzhazy stated that he would like to pull Item No. 6.3 to discuss an amendment to this item.

6. CONSENT CALENDAR:

6.1 Resolution No. PRWA 2013-003, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority finalizing the appointments of

officers made at the January 16, 2013 Board Meeting and authorizing those officers to designate assistants. (Staff Reference: Authority Counsel Ditzhazy)

6.2 Resolution No. PRWA 2013-005, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority authorizing the Chair of the Authority to execute an Attorney Conflict of Interest Waiver. (Staff Reference: Authority Counsel Ditzhazy)

6.3 Approve the Minutes from the previous meeting held on January 16, 2013. (Staff Reference: Secretary Smith)

Authority Counsel Ditzhazy stated that there is a need to make a correction to the last sentence on Page 4, Section 12 as follows: "Executive Director LaMoreaux advised the Board that Palmdale Water District staff be trained for ~~site preparation~~ *handling recycled water by taking the Sanitation District's Site Supervisor class* and the Board concurred."

Motion: Approve the Minutes from the previous meeting held on January 16, 2013 as amended.
Moved by Director Dexter, seconded by Mac Laren.

Vote: Motion carried (4-0).
Yes: Chair Ledford and Directors Dexter, Bettencourt and Mac Laren.

6.4 Resolution No. PRWA 2013-004, a Resolution of the Palmdale Recycled Water Authority setting its regular meeting date, time and locations. (Staff Reference: Authority Counsel Ditzhazy)

Motion: Approve the recommendations and findings on all items listed under this Consent Calendar, except Item No. 6.3.
Moved by Director Bettencourt, seconded by Director Dexter.

Vote: Motion carried (4-0).
Yes: Chair Ledford and Directors Dexter, Bettencourt and Director Mac Laren.

7. NEW BUSINESS:

7.1 Resolution No. PRWA 2013-002, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority approving the Conflict of Interest Code. (Staff Reference: Authority Counsel Ditzhazy)

Authority Counsel Ditzhazy stated that under the Political Reform Act all public agencies are required to adopt a Conflict of Interest Code. As

indicated under Section 4 of Resolution No. PRWA 2013-002, Appendix "A" lists the designated filers and disclosure categories. Authority Counsel Ditzhazy recommended that those listed as designated filers should file their Form 700 for the PRWA separately and that the Board Secretary will serve as the filing officer to receive all PRWA Form 700 filings.

Public Comments: None.

Motion: Adopt Resolution No. PRWA 2013-002.
Moved by Director Bettencourt, seconded by Director Dexter.

Vote: Motion carried (4-0).
Yes: Chair Ledford and Directors Dexter, Bettencourt and Mac Laren.

7.2 Report and discussion regarding draft bylaws. (Staff Reference: Authority Counsel Ditzhazy)

Authority Counsel Ditzhazy stated that he is currently working on the bylaws and that they should be ready for the March agenda. The Board discussed and concurred.

7.3 Discussion and possible action on the recommendation regarding the appointment of the fifth member of the Board of Directors. (Staff Reference: Executive Director LaMoreaux and Assistant Executive Director Mischel)

Executive Director LaMoreaux stated that an advertisement was placed for the fifth member of the Board. There were three (3) responses and the applicants are Linda Godin, Helen Gonzalez, and Angel Olvera. Helen Gonzalez and Angel Olvera were present at the meeting. It was indicated that Linda Godin was unable to be present at the meeting and sent her regrets.

Public Comments: None

The Board requested each of the applicants make a brief presentation regarding their interest in serving the community in this capacity. Helen Gonzalez and Angela Olvera made a presentation.

Executive Director LaMoreaux and Authority Counsel Ditzhazy provided the Board with details regarding the applicant process for the fifth member and asked that the Board make a recommendation of one applicant to be taken before the City of Palmdale City Council and the Palmdale Water District Board. There was discussion among the Board about the possibility of a joint meeting in the future as well as the possibility of taking

all three applicants before the City Council and the Palmdale Water District Board. The Board came to the consensus that they were ready to move forward tonight and approve one applicant for recommendation.

Motion: Approve Helen Gonzalez as the Board of Directors recommended Fifth Member.
Moved by Director MacLaren, seconded by Director Bettencourt.

Vote: Motion carried (4-0).
Yes: Chair Ledford and Directors Dexter, Bettencourt and Mac Laren.

Authority Counsel Ditzhazy stated that the City of Palmdale City Council will be making a decision about the fifth member at their March 6, 2013 meeting and Executive Director LaMoreaux stated that the Palmdale Water District Board will be making a decision at their February 27, 2013 meeting.

7.4 Update on Recycled Water Allocation Plan including discussion and possible direction. (Staff Reference: Executive Director LaMoreaux and Assistant Executive Director Mischel)

Assistant Executive Director Mischel reported on the allocation plan and the status of the agreement with the Sanitation District. The Board asked questions about the allocation plan and staff responded.

Public Comments: None.

7.5 Discussion and possible action regarding the amendment of the Joint Powers Authority to define the term for the fifth member. (Staff Reference: Authority Counsel Ditzhazy)

Authority Counsel Ditzhazy stated that at the January 16th meeting, the Board discussed the process for the removal of the fifth member. He stated that he recommends adding wording, as outlined in the staff report, to Section 4.4 of the Joint Exercise of Powers Agreement, dated September 26, 2012, in order to clarify how the fifth member is removed from office and the term of office. If approved by the Board, staff for each respective agency will have counsel for both agencies review the proposed amendment and cause the contract amendment to be added to both agency agendas for consideration and possible adoption.

Public Comments: None.

Motion: Approve adding the wording outlined in the staff report to Section 4.4 of the Joint Exercise of Powers Agreement, dated September 26, 2012.

Moved by Director Bettencourt, seconded by Director Mac Laren.

Vote: Motion carried (4-0).
Yes: Chair Ledford and Directors Dexter, Bettencourt and Mac Laren.

8. PUBLIC COMMENTS:

None.

9. ADJOURNMENT.

Chair Ledford asked staff to add an item to the Agenda at the end of the meeting giving the Board of Directors an opportunity for discussion on non-agenda items. The Board concurred.

Chair Ledford adjourned the meeting at 7:35 p.m. to Wednesday, March 20, 2013 at 7:00 p.m. at the Palmdale Water District, located at 2029 East Avenue Q, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 20th day of March 2013.

_____
James C. Ledford, Jr.
Chair

ATTEST:

_____
Rebecca J. Smith
Secretary

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: March 14, 2013 **March 20, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Mischel, Assistant Executive Director, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 6.1 – CONSIDERATION AND POSSIBLE ACTION ON AWARDING A PROFESSIONAL SERVICES AGREEMENT FOR THE PREPARATION OF THE RECYCLED WATER FACILITIES MASTER PLAN, RELATED CEQA/NEPA DOCUMENTATION, AND RATE STUDY

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends entering into a professional services agreement with Carollo Engineers in the not-to-exceed amount of $126,667 for the preparation of the Recycled Water Facilities Master Plan, related CEQA/NEPA Documentation, and Rate Study.

This action authorizes the PRWA to enter into a professional services agreement with Carollo Engineers and delegates the Executive Director to execute said agreement upon review by legal counsel.

Background:

Prior to the formation of the PRWA, both the City of Palmdale and Palmdale Water District prepared Recycled Water Facilities Master Plans. With the formation of the PRWA, the PRWA now needs a consolidated document and planning tool that reflects the most recent information on water demand projections, regulations, alternatives, necessary facilities, costs, and environmental impacts. In addition, the PRWA also needs a clear plan for how to finance construction of the facilities and meanwhile place itself in the strongest position possible for any available grant funding.

The PRWA received two proposals for this work (Carollo Engineers and RMC Water and Environment). Both consulting firms submitted proposals with the same scope of work. The following is a summary of the proposals received from the two firms:

Carollo Engineers:	$126,667
RMC Water and Environment:	$116,326

PRWA staff is recommending Carollo Engineers based on their understanding of the Antelope Valley's water supply, knowledgeable and experienced staff assigned to this

project, and overall project approach. Carollo Engineers' proposes to provide a complete update of the member's Recycled Water Facilities Master Plan's Initial Study/Mitigated Negative Declaration including addressing the public comments and filing the Notice of Determination for both CEQA and NEPA. Carollo Engineers will also provide a fresh look at both member agency's Recycled Water Facilities Master Plans, which were originally drafted by RMC.

Financial Impact:

The 2013 PRWA Budget includes $140,000 for the Recycled Water System Master Plan and Recycled Water Rate Study. The PRWA will be submitting a planning grant application to the State Water Resources Control Board and if successful, said grant will fund 50% or $61,892 of the costs associated with this planning effort. Therefore, the total costs to the PRWA will be $64,775 which includes the costs associated with the grant application.

CONTRACT FOR CONSULTANT SERVICES
BETWEEN THE PALMDALE RECYCLED WATER AUTHORITY AND CAROLLO ENGINEERS, INC.

THIS CONTRACT FOR CONSULTANT SERVICES ("Contract" herein) is made and entered into this 17th day of April, 2013 by and between the Palmdale Recycled Water Authority a public body corporate and politic, (hereinafter called "PRWA") and **CAROLLO ENGINEERS, INC.** a corporation of the state of California (hereinafter called "CONSULTANT").

R E C I T A L S

WHEREAS, PRWA desires to engage CONSULTANT to provide certain consultant services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in this Contract. And, if required, is duly registered under the laws of the State of California; and

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

1.1 The PRWA hereby engages CONSULTANT, and CONSULTANT accepts such engagement, to provide the services set forth in the **"Scope of Services"** attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT shall perform and complete all such work and services in a manner satisfactory to PRWA.

1.2 Project deliverables shall be reviewed and approved by PRWA to determine acceptable completion. PRWA shall have the right to review and inspect the work during the course of its performance at such times as may be specified by PRWA.

1.3 CONSULTANT shall not accept any change of scope, or change in contract provisions, unless issued in writing, as a contract change order or amendment and signed by PRWA. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

1.4 PRWA shall provide to CONSULTANT, without charge, all data, program information, including reports, records, maps and other information, now in PRWA's possession, which may facilitate the timely performance of the work.

DRAFT

2 PRWA PROJECT MANAGER

To provide the services required by this Contract, CONSULTANT shall act under the authority and approval of a Project Manager appointed by PRWA. The PRWA Project Manager will oversee the work under this Contract, assist CONSULTANT with any necessary information, audit billings, and approve payments. CONSULTANT shall channel reports, deliverables and special requests through the PRWA Project Manager.

3 CONSULTANT'S KEY PERSONNEL

CONSULTANT's Team and Key Personnel are set forth in Exhibit C which is attached hereto and incorporated herein by reference. This Consultant Services Contract has been awarded to CONSULTANT based on its representation that those personnel and subcontractors submitted as part of its Statement of Qualifications and listed in Exhibit C attached hereto and incorporated herein by reference will perform the portions of the work listed on said Exhibit C. CONSULTANT shall not deviate nor substitute any of these team members without prior written approval by PRWA.

4 COMMENCEMENT AND COMPLETION OF WORK

The execution of this Contract by the parties does not constitute an authorization to proceed. The services of CONSULTANT shall commence when PRWA, acting by and through its Project Manager, has issued an Authorization to Proceed. CONSULTANT shall complete all the work described in Exhibit "A" and submit final deliverables within three hundred (300) calendar days following CONSULTANT's receipt of Authorization to Proceed. CONSULTANT shall have no claim for compensation for any services or work, which has not been authorized by PRWA's Authorization to Proceed.

5 TAXES

5.1 CONSULTANT shall pay all sales, consumer, use, and other similar taxes required to be paid by CONSULTANT in accordance with state and local laws.

5.2 CONSULTANT is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of PRWA. No person employed by CONSULTANT or acting on its behalf, in connection with this Contract shall be considered the Agent or employee of PRWA.

5.3 CONSULTANT shall be required to obtain a current City of Palmdale business license, as required by the Palmdale Municipal Code, before an Authorization to Proceed is issued.

6 PATENT FEES AND ROYALTIES

CONSULTANT shall pay all license fees and royalties and assume all costs incident to the use, in the performance of the work or the incorporation in the work of any invention, design, process, product or device which is the subject of patent rights or copyrights

held by others. If a particular invention, design, process, product or device is specified by PRWA for use in the performance of the work and if, to the actual knowledge of PRWA, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by PRWA in the contract documents. CONSULTANT shall indemnify and hold harmless PRWA and anyone directly or indirectly employed by PRWA from and against all claims, damages, losses and expenses (including attorneys' fees) arising out of any infringement of patent rights or copyrights incident to the use in the performance of the work, or resulting from the incorporation in the work of any invention, design, process, product or device not specified by PRWA, and shall defend all such claims in connection with any alleged infringement of such rights.

7 STANDARDS OF PERFORMANCE

CONSULTANT shall be responsible for the completeness and accuracy of its services and work and documents resulting there from, and PRWA shall not be responsible for discovering deficiencies therein. CONSULTANT shall correct any such deficiencies or errors without additional compensation and without cost to PRWA, except to the extent any such deficiency is directly attributable to deficiencies in PRWA-furnished information.

8 CONSULTANT'S PERSONNEL

8.1 All services required under this Contract shall be performed by CONSULTANT, or under CONSULTANT'S direct supervision, and all personnel shall possess the qualifications, permits and licenses required by State and local law to perform such services.

8.2 CONSULTANT shall be solely responsible for the satisfactory work performance of all personnel engaged in performing services required by this Contract, and compliance with all reasonable performance standards established by PRWA.

8.3 CONSULTANT shall be responsible for payment of all CONSULTANT's employees' and subcontractor's wages and benefits, and shall comply with all requirements pertaining to the employer's liability, workers' compensation, unemployment insurance, and Social Security.

8.4 CONSULTANT shall indemnify and hold harmless PRWA, and its respective officers, agents and employees from and against all claims, demands, damages or costs arising from CONSULTANT's acts or omissions with respect to any liability, damages, claims, costs and expenses of any nature arising from alleged violations of personnel practices.

9 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Exhibit A, Scope of Services, PRWA shall pay to CONSULTANT an amount not to

exceed the sum of one hundred twenty-six thousand six hundred sixty-seven dollars ($126,667), payable in accordance with the Fee Schedule attached hereto as Exhibit "B" and incorporated herein by reference The Contract Price is CONSULTANT'S estimate of its charges for all of the services, including all labor, equipment, material, subcontractor and reimbursable costs, to be provided under this Agreement. Progress payments shall be made on a time and material basis, based on the Fee Schedule. Final payment shall be made upon completion of all services and PRWA acceptance of all deliverables, not-to-exceed the Contract Price.

9.2 CONSULTANT shall perform no work in excess of the total contract price without prior written approval of PRWA. Total contract price includes expenses related to travel to and from PRWA to meet with PRWA and to appear, if so required, before PRWA Board of Directors or any other board or commission of PRWA.

9.3 CONSULTANT shall maintain adequate records and shall permit inspection and audit by PRWA of CONSULTANT's charges under this Contract. CONSULTANT shall make such records available to PRWA during normal business hours upon reasonable notice. Nothing herein shall convert such records into public records, and they will be available only to PRWA and any specified public agencies. Such records shall be maintained by CONSULTANT for one (1) year following completion of the work under this Contract unless a longer period of time is required by state or federal law, in which event CONSULTANT shall retain its records for the time required by such laws.

9.4 No payment made hereunder by PRWA to CONSULTANT, shall be construed as an acceptance by PRWA of any work or materials, nor as evidence of satisfactory performance by CONSULTANT of its obligations under this Contract.

10 INDEMNIFICATION

Consultant agrees to indemnify, defend and hold harmless PRWA, its officers, agents and employees, from and against all claims, losses, obligations, or liability which arise out of, or are in any way related to, the CONSULTANT's acts, errors or omissions, or those of its employees or agents under Agreement.

11 INSURANCE

11.1 CONSULTANT, at its expense, shall maintain in effect at all times during the performance of work under this Contract not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A" or better in the Best's Insurance Guide and authorized to do business in the State of California. Proof of Insurance, as identified in Section 11.8, must be reviewed and accepted by the PRWA Attorney.

11.1.1 Workers' Compensation and Employer's Liability

-Workers' Compensation—coverage as required by the State of California

-Employer's Liability:

$1,000,000.00 each accident

$1,000,000.00 policy limit bodily injury

$1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability Insurance*

-$1,000,000.00 with no deductible, or;

-Comparable alternative as determined by the PRWA Attorney; and

-Policy form on a claims-made basis

11.1.3 Commercial General Liability

-$1,000,000.00 limit on a per occurrence basis

-$2,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

-$1,000,000.00 combined single limit including owned, non-owned and hired automobile coverage

11.2 All of CONSULTANT's policies shall contain an endorsement providing that written notice shall be given to PRWA at least thirty- (30) calendar days prior to termination, cancellation or reduction of coverage in the policy.

11.3 Policies providing for bodily injury and property damage coverage shall contain the following:

A. An endorsement extending coverage to the PRWA as an additional insured, in the same manner as the named insured, as respects liability arising out of the performance of any work under the Contract. Such insurance shall be primary insurance, as respects the interest of the PRWA, and any other insurance maintained by the PRWA shall be considered excess coverage and not contributing insurance with the insurance required hereunder. The certificate and endorsements shall state: "The Palmdale Recycled Water Authority, their officers, agents, employees and volunteers are named as additional insured".

B. "Severability of Interest" clause.

11.4 Promptly on execution of this Contract, and prior to commencement of any work, CONSULTANT shall deliver to PRWA certificates of insurance and endorsements to all required policies demonstrating that CONSULTANT has the required coverage and showing the required named insureds. Within five (5) days of written request from PRWA, CONSULTANT shall deliver to PRWA full and complete copies of all insurance policies required by this Contract.

11.5 The requirements as to the types and limits of insurance to be maintained by CONSULTANT are not intended to and shall not in any manner limit or qualify CONSULTANT's liabilities and obligations under this Contract.

11.6 Any policy or policies of insurance that CONSULTANT elects to carry as insurance against loss or damage to its equipment and tools or other personal property used in the performance of this Contract shall include a provision waiving the insurer's right of subrogation against PRWA.

11.7 All insurance coverage must be maintained throughout the duration of this Contract.

11.8 Acceptable Proof of Insurance:

11.8.1 ACORD Certificate of Insurance listing all coverages, limits, deductibles and insureds; and endorsements for all applicable coverages if agent has authority to issue it; Additional insured Form CG20101185 or CG20100707 and CG20370704 or equivalent must be provided for general liability coverage. Additional insured form CA0001 must be provided for automobile liability coverage.

11.8.2 Agents must confirm that policy endorsements have been ordered from the respective insurance companies. Upon issuance, policy endorsements listing all insurers must be submitted to the PRWA Attorney.

11.8.3 *When coverage is provided on a "claims made basis", CONTRACTOR will continue to renew the insurance for a period of five (5) years after this Agreement expires or is terminated. Such insurance will have the same coverage and limits as the policy that was in effect during the term of this Agreement, and will cover CONTRACTOR for all claims made by PRWA arising out of any acts or omissions of CONTRACTOR, or its officers, employees or agents during the time this Agreement was in effect.

11.9 Notwithstanding any other provision of this Contract, PRWA may immediately terminate this Contract if, at any time CONSULTANT fails to maintain the required insurance for any period of time or fails to comply with any of the insurance requirements listed above.

12 TERMINATION WITHOUT CAUSE

PRWA reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also surrender to PRWA all finished or unfinished documents or programs and other materials, which shall be PRWA's property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with

the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13 TERMINATION FOR CAUSE

13.1 If the PRWA determines that the CONSULTANT has failed to supply an adequate working force, or to provide services of proper quality, or has failed in any other respect to satisfactorily perform the services specified in this Contract, the PRWA shall give written notice to the CONSULTANT specifying all defaults to be remedied within thirty (30) days. Such notice shall set forth the basis for the PRWA's dissatisfaction and suggest corrective measures. If, after thirty days, the CONSULTANT has failed to implement the corrective measures, the PRWA may elect to terminate this Contract, in whole or in part.

13.2 In the event the PRWA terminates this Contract in whole or in part as provided herein above, the PRWA may procure, upon such terms and in such manner, as it may deem appropriate, services similar to those terminated.

13.3 If this Contract is terminated as provided above, the PRWA may require the CONSULTANT to provide all finished or unfinished documents, data, studies, software, drawings, maps, photographs, reports, etc., prepared by the CONSULTANT. Upon such termination, the CONSULTANT shall be paid an amount equal to the value of the services provided and work performed as of the date of termination. Such payment by the PRWA may take into consideration the costs associated with hiring another CONSULTANT to complete the services. In the event no new CONSULTANT is employed, the CONSULTANT shall be paid an amount equal to the value of the work performed. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to both completed work and work in progress, to complete and incomplete documents when such are delivered to PRWA, and to authorized reimbursement expenses.

The above is in addition to any other remedies available by law or equity to the PRWA.

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that CONSULTANT was not in default, or that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

All claims, disputes and other matters in question between PRWA and CONSULTANT arising out of, or relating to this Contract, or the breach thereof shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

15 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, research, field notes, investigations, analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of PRWA. CONSULTANT shall furnish PRWA, upon its request, originals or reproducible or electronic copies of reports, studies and of all other documents listed above.

16 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

16.1 CONSULTANT shall not delegate, subcontract or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of PRWA; provided, however, that claims for money due or to become due to CONSULTANT from PRWA under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Any proposed delegation, assignment or subcontract shall provide a description of the services covered, identification of the proposed assignee, delegates or subcontractor, and an explanation of why and how the same was selected, including the degree of competition involved. Any proposed agreement with an assignee, delegates or subcontractor shall include the following:

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and

B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of PRWA.

C. The requirement to hire only those persons authorized by federal law to work in the United States.

16.2 Any assignment, delegation or subcontract shall be made in the name of CONSULTANT and shall not bind or purport to bind PRWA and shall not release CONSULTANT from any obligations under this Contract including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegates and subcontractors. No such assignment, delegation or subcontract shall result in any increase in the amount of total compensation payable to CONSULTANT under this Contract.

17 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

17.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. Affirmative action relating to employment shall include, but not be limited to the following:

employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17.2 The provisions of subsection 17.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. PRWA shall have access to all documents, data and records of CONSULTANT and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

18 FINANCIAL INTEREST CERTIFICATION

18.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no officer or employee of the PRWA has any interest, financially or otherwise, in CONSULTANT's firm.

18.2 For breach or violation of this warranty, PRWA shall have the right to annul this Contract without liability, or at its discretion to deduct from the Contract Price or consideration, the full amount of such commission, percentage, brokerage or contingent fee.

19 CONFLICT OF INTEREST

19.1 CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract or which would cause CONSULTANT to be "financial interested" (as provided in California Government Code Section 1090 et seq. or 87100 et seq.) in any contract or decision made by PRWA on any matter.

19.2 CONSULTANT shall not employ any PRWA official or employee to perform any work required pursuant to this Contract.

19.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT'S recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district;

and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, PRWA shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

19.4 To the extent required by the Executive Director/designee, CONSULTANT shall complete and file with the City Clerk a Form 700 Statement of Economic Interests disclosing any reportable property interests, income, gifts, investments or business positions.

20 COMPLIANCE WITH LAW

20.1 CONSULTANT shall comply with all state and federal laws, including but not limited to, the requirement to hire only those persons authorized by federal law to work in the United States. If CONSULTANT uses any subcontractors to complete this Contract, this same requirement shall be included in all subcontracts and strictly enforced by CONSULTANT.

20.2 The law of the state of California shall govern this Contract. The venue of any legal action, either formal or informal, shall be the County of Los Angeles.

21 NOTICES

Any notice required under this Contract shall be in writing, addressed to the appropriate party at its address on the signature page and given personally or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

22 ENTIRE CONTRACT AND AMENDMENTS

22.1 This Contract is the complete agreement between the parties and supersedes all prior proposals, agreements, and understandings between the parties and may not be modified or terminated orally.

22.2 No attempted waiver of any of the provisions hereof, nor any modification in the nature, extent or duration of the work to be performed by CONSULTANT hereunder, shall be binding unless in writing and signed by the party against whom the same is sought to be enforced.

22.3 The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

23 ATTORNEY'S FEES

If any action at law or in equity is brought to enforce or interpret any provisions of this Contract, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

In Witness Whereof, the parties hereto have caused this Contract to be executed and attested by their respective officers thereunto duly authorized.

PRWA: Palmdale Recycled Water Authority	**CONSULTANT:** CAROLLO ENGINEERS, INC.
_____ James C. Ledford Jr., Date Director	_____ Tom West, Date Vice President, Principal-in-Charge
ADDRESS FOR NOTICE: PRWA 38300 Sierra Hwy Palmdale, California 93550	ADDRESS FOR NOTICE: **CAROLLO ENGINEERS, INC.** 199 South Los Robles, Suite 530 Pasadena, CA 91101
APPROVED AS TO FORM: _____ Wm. Matthew Ditzhazy Authority Counsel	
ATTEST:	ATTEST: If Corporation
_____ Rebecca J. Smith Authority Secretary	_____ Secretary

Exhibit A
Scope of Work

Task 1: Update Introduction and Project Setting

Consultant will update the background, water supplies, recycled water facilities information documented in Sections 1 and 2 of the prior master plans. Information will be updated through discussion with City and District staff and other parties as needed, including the City of Lancaster, the County Sanitation Districts, Antelope Valley East Kern Water Agency (AVEK), and Los Angeles County Waterworks District No. 40. Information to be updated will include, but not be limited to: recently constructed recycled water and wastewater facilities, agreements between various parties including the City and the District, the status and progress on groundwater adjudication, and status and progress on the region's Salt and Nutrient Management Plan.

Deliverables:

- Updated Sections 1 and 2 of the Plan Update delivered under Task 5.

Task 2: Update Market Assessment

Consultant will update the prospective recycled water supplies, demands and uses as well as expected recycled water quality and the water quality needs for future uses.

1. **Recycled water supplies:** Consultant will contact the County Sanitation Districts to obtain current and updated projections for available recycled water supplies from both the Palmdale and Lancaster Water Reclamation Plants. This will include updated annual, monthly, and diurnal projections. In addition, Consultant will update both the current and future demands for recycled water by other entities outside of the Authority to clarify the regional availability and future demand for recycled water.
2. **Uses and Demands:** Consultant will work with the City and the District to confirm expected customers for recycled water from the JPA. This includes municipal irrigation, industrial, and agriculture customers as well and groundwater replenishment. For existing sites, Consultant will review recent water use data and update projected water use.
3. **Water Quality:** Consultant will review the current quality of recycled water being produced by the County Sanitation Districts as well as recent and projected trends in water quality changes. This will include both recycled water as it leaves the Water Reclamation Plants as well as the quality of recycled water held in the Sanitation Districts seasonal storage facilities. In addition, during the review of current and future uses and demands, Consultant will identify water quality needs for the various possible uses and compare results against projected water quality.

Deliverables:

- Updated Section 3 of the Plan Update delivered under Task 5.

Task 3: Update Alternatives Development and Analysis

In updating the alternatives development and analysis (Section 4) of the Plan Update, Consultant will address the following.

1. **Alternatives:** Based on potential changes to the recycled water market and availability of recycled water supplies, Consultant will work with the City and the District to re-examine past alternatives to determine what modifications, if any, are justified. Modifications to the alternatives may include facilities (e.g. pipe diameters, routing, pumping and storage), groupings of users, treatment, and freshwater alternative description. Consultant will also discuss with City and District staff any changes to the proposed system design and operating criteria. In addition, consideration of construction of delivery laterals and irrigation retrofits will be either updated or included. Consultant assumes that a maximum of three alternatives (plus a non-recycled water alternative) will be developed. Consultant will obtain approval from the City and District staff of the alternatives before proceeding with additional work.

2. **Costs:** Consultant will update the cost analysis used during the prior alternatives development. Updates will reflect both updated unit cost information for facilities, updated comparative costs for non-recycled water alternatives, and

3. **Modeling:** Consultant will update the prior hydraulic model of the recycled water system to reflect changes in proposed facilities, supply availability, and customer demands. Consultant will use the updated hydraulic model to confirm facility requirements to meet the system design and operating criteria (e.g. diurnal supplies and demand requirements).

4. **Analysis:** Consultant will analyze alternatives based on the following criteria: unit cost ($/af), capital and O&M cost and their timing, ease of construction and permitting, and environmental and community considerations.

Deliverables:

- Up to two (2) meetings with City and District staff to review alternatives development and analysis results.
- Updated description of alternatives, included in Section 4 of the Plan Update delivered under Task 5.
- Updated cost calculations, included as an appendix to the Plan Update.
- Updated hydraulic model of the recycled water system

Task 4: Prepare Recommended Project

Based on the results of Task 3, Consultant will prepare an updated recommended project description to be included in the Plan Update. To describe the recommended project, Consultant will include/update a detailed listing of facilities and maps to illustrate their locations as well as design and operating criteria of the recommended project. Consultant will also include an updated cost/benefit analysis that takes into account potable water offset as well as greater reliability of recycled water when compared to imported water. Lastly, Consultant will include/update the schedule for implementing the recommended project. The schedule will include modifications to project phasing and take into account schedule factors outside of the control of the Authority itself (e.g. constructing on-site retrofits, permitting and construction of groundwater replenishment facilities).

Task 4 will also include a summary of the financing plan for the recommended project as developed in the Recycled Water Rate Study (Task 10, which will be appended to the Plan

Update for submittal to the SWRCB and the USBR). The summary will include recommended connection fees, rates, and specific recommendations for other revenue/financing sources.

Lastly, Task 4 will include a summary of the environmental considerations of the recommended project as documented in the proposed IS/MND/EA to be prepared in Task 6 (and appended to the Plan Update for submittal to the SWRCB and the USBR).

Deliverables:

- One (1) meeting with City and District staff to review the development of the recommended project
- Updated recommended project, included in Section 5 of the Plan Update delivered under Task 5.
- Updated cost/benefit calculations, included as an appendix to the Plan Update.

Task 5: Prepare Report(s)

In the course of preparing the Plan Update, Consultant will prepare three drafts of the document. These include:

1. **Administrative Draft:** A complete draft of Sections 1 through 4 of the Plan Update for review by the Authority.
2. **SWRCB Draft:** After incorporating the Authority's comments on the administrative draft, Consultant will prepare a SWRCB Draft to be submitted to the SWRCB for their mid-point review of the project. This draft typically does not include the recommended project as this is seen by the SWRCB as their opportunity to weigh in on the project needs and evaluation process before a recommended project is identified.
3. **Final Draft:** The final draft will include Section 5 and incorporate comments from the SWRCB into Section 1 through 4.
4. **Final:** Consultant will incorporate comments by the Authority and the SWRCB into a final report.

Draft reports will be submitted electronically to the Authority for its review. One hard copy draft and final will be prepared for SWRCB review. Ten hard copies of the final report will be submitted to the Authority upon completion.

Deliverables:

- Administrative Draft
- SWRCB Draft
- Final Draft
- Final

Task 6: Project Management

Consultant will manage the Plan Update through the following activities:

- Kickoff meeting
- Monthly progress report and invoice; monthly progress review with the City and the District. Up to four in person meetings with City and District staff.

- One briefing to the Authority Board of Directors

Deliverables:

- Agenda, material and notes from the project kickoff meeting.
- Progress reports in invoices; summary email from each progress review with the City and District
- Materials for Board of Directors briefing

Task 7: Prepare CEQA documentation

To achieve environmental compliance for the Plan Update in accordance with the California Environmental Quality Act (CEQA) and the 2013 CEQA Guidelines Consultant's sub consultant will update the Initial Study (IS) and Mitigated Negative Declaration (MND) previously prepared (RMC, January 2010) but never released for public review. The IS/MND would be adopted by the Board of Directors of the Authority.

The IS/MND will provide an assessment of environmental impacts associated with the use of recycled water based on regulatory requirements. In addition, the Plan Update is part of the broader Antelope Valley Regional Recycled Water Project and PWD's Strategic Water Resources Plan, both of which already have been evaluated at a programmatic level in accordance with CEQA in the following documents:

- North Los Angeles/Kern County Regional Recycled Water Project Final Program EIR (ESA, 2008)

- Palmdale Water District Strategic Water Resources Plan Final Program EIR (ESA, 2012)

The District and the City have been involved as lead or responsible agencies to one or both of these projects. The Authority's Board of Directors could adopt the above-mentioned CEQA documents, if necessary to meet requirements for CEQA compliance for future recycled water projects. Additionally, subsequent environmental review would likely be required – either by the individual agencies or the Authority, depending on the project sponsor – to evaluate construction of new facilities, such as groundwater recharge facilities and indirect potable reuse project facilities, once specific locations, characteristics, and operational criteria are determined during associated project design phases.

7.1 Project Initiation and Management

Consultant's sub consultant will prepare an agenda for and attend a kick-off meeting. Consultant's sub consultant will review the Plan Update and previous Draft IS/MND and submit a data request for any additional information needed to conduct the CEQA assessment. Consultant's sub consultant will participate in one additional in-person meeting in addition to periodic teleconferences.

Consultant's sub consultant will prepare monthly invoices and progress reports and track project deliverables to ensure the team adheres to project schedule. Consultant's sub consultant also maintains strict adherence to a standardized QA/QC program with documented structured

reviews to ensure all deliverables meet the appropriate level of technical quality and completeness.

Consultant's sub consultant will work with the Authority and Consultant to prepare a mailing list for distribution of the IS/MND.

Deliverables

- Electronic copy of distribution list (MS Excel format)
- Up to two (2) in person meetings.

Task 7.2: Site Visit and Technical Report Update

A Biological Resources Assessment has already been prepared for the Recycled Water Facilities Master Plan for Palmdale Water District (PCR, 2009) along with a Phase I Cultural and Paleontological Resources Assessment (PCR, 2009). Consultant's sub consultant will utilize these existing documents in preparation of the updated IS/MND. Consultant's sub consultant will revise the proposed area of potential effect (APE) of the proposed facilities based on the PLAN Update. Consultant's sub consultant will conduct a reconnaissance-level site visit to ensure that existing baseline conditions in the APE have not changed since 2009 and, if any substantial project description changes are made as a result of the Plan Update, to document the existing baseline conditions at new locations within the APE. Results and observations of the site visit, including site photos, will be documented as Addenda to both the Biological and Cultural Assessments and included in the appendices to the IS/MND. This scope does not include additional records searches for cultural resources or additional outreach to Native American Groups, assuming previous efforts remain sufficient.

Deliverables:

- Addenda to Biological Resources and Culture Resources Technical Reports (PDF format)

Task 7.3: Prepare Administrative Draft IS/MND

Consultant's sub consultant will prepare a Draft IS/MND in compliance with Section 15063 of the CEQA. Consultant's sub consultant will start with the previous 2010 Draft IS/MND and provide a comprehensive update to all parts of the document including the Introduction and Project Background, Project Description and related figures and graphics, Environmental Checklist with mitigation measures per CEQA Guidelines Appendices F and G, and References. Consultant's sub consultant will provide the Authority and Consultant with an Administrative Draft IS/MND for comment and review. The following describes the expected efforts required to update the issue areas in the Environmental Checklist:

- **Aesthetics**: The description of existing visual conditions will be updated with any changes determined during the site visit (Task 2 above) and/or in accordance with any changes made to facility locations in the Plan Update. Existing designated visual or aesthetic scenic highways or viewsheds will be verified. Application of existing mitigation measures will be confirmed.

- **Agriculture and Forestry:** The location of existing agricultural resources as described are not expected to change. In 2010, Appendix G of the CEQA Guidelines was revised to include Forestry Resources and require assessment of project impacts to such. The IS/MND will be revised to include the Agriculture and Forestry resource category and significance criteria. It is not expected that the Plan Update would affect forestry resources.

- **Air Quality/Greenhouse Gases (GHGs):** As a result of the Plan Update, the construction and operational conditions will change and the construction schedule will be updated. Consultant's sub consultant will rerun the URBEMIS model to update air emissions for project construction and operation, including GHG emissions. The regulatory setting for both criteria air pollutants and GHGs will be reviewed and updated as necessary. No major changes in impacts or mitigation measures are expected.

- **Biological Resources:** The location and nature of biological resources in the APE will be reviewed and verified based on the site visit (Task 7.2 above) and updated as necessary. Unless major changes to facility locations are made in the Plan Update, no changes to impacts or mitigation measures are expected.

- **Cultural Resources:** The location and nature of cultural resources in the APE will be reviewed and verified based on the site visit (Task 2 above) and updated as necessary. This Scope of Work assumes that the geographic extent of the previous records searches at the CHRIS-SCCIC at California State University Fullerton and the Sacred Lands File at the Native American Heritage Commission will include the APE for the Plan Update and a new records search would not be required. This Scope of Work also assumes that no new potential cultural sites will be identified during the site visit. Unless major changes to facility locations are made in the Plan Update, no changes to impacts or mitigation measures are expected.

- **Geology and Soils:** Based on the revised Project Description, the location of project facilities relative to geologic and seismic hazards will be reviewed and updated. Consultant's sub consultant will review the analysis of soil erosion and applicable storm water and water quality regulations. As an isolated basin, it is generally understood that the Antelope Valley does not include any "waters of the U.S." and thus are not subject to federal NPDES regulations. The applicability of state and federal water quality regulations will be revised as necessary. No major changes in impacts or mitigation measures are expected.

- **Hazards/Hazardous Materials:** A new database search for hazardous materials sites compiled pursuant to Government Code Section 65962.5 (Cortese List) will be conducted in order to ensure no new sites have been added since the previous search in 2009 and to identify hazardous materials sites that may be proximate to new project facility locations. The results of the database search will be included as an appendix to the IS/MND. The discussion of hazardous materials and sites will be revised accordingly. In addition, the discussion of impacts on public health and safety resulting from end uses of recycled

water will also be updated according to any changes in recycled water regulations since 2009 and the most recent State Recycled Water Policy.

- **Hydrology/Water Quality:** The environmental setting for surface and groundwater hydrology and water quality will be reviewed and verified and updated if necessary based on available data and changes to applicable regulations or plans. Descriptions of requirements for Salt/Nutrient Management Plans and amendments to Basin Plans will be added and applicability of updates to Los Angeles County storm water regulations and permits will be provided. The discussion of impacts related to end uses of recycled water also will be updated to reflect changes in recycled water regulations since 2009 and the most recent State Recycled Water Policy.

- **Land Use/ Planning:** Consultant's sub consultant will assess changes made to the locations of project facilities in the Plan Update and review and revise the description of land use in the project area accordingly, including figure updates. Compatibility and land use and zoning designations will be reviewed and confirmed and revised as necessary. No major changes in impacts or mitigation measures are expected.

- **Mineral Resources:** Consultant's sub consultant will review and reconfirm the locations of project facilities relative to mineral resource zones. No major changes in impacts or mitigation measures are expected.

- **Noise and Vibration:** Consultant's sub consultant will review any changes to project facility locations to determine if any new sensitive receptors may be affected by construction or operation of the planned facilities. Impact discussions will be revised accordingly. Unless major changes to facility locations are made in the Plan Update, no changes to impacts or mitigation measures are expected.

- **Population and Housing:** Population projections and water supply/demand projections for the PRWA service area will be reviewed and revised as necessary. Census data will be updated with 2010 data; water supply/demand projections will be updated with PWD's 2010 Urban Water Management Plan if available. No changes to impacts or mitigation measures are expected.

- **Public Services:** No changes to the assessment of impacts to public services are expected.

- **Recreation:** No changes to the assessment of recreation are expected.

- **Transportation and Traffic:** The 2010 CEQA Guidelines included revisions to the significance criteria for Transportation and Traffic, including elimination of some criteria and addition of others. Overall, the nature of the information to be evaluated has not fundamentally changed. Consultant's sub consultant will revise the Transportation and Traffic section with the significance criteria from Appendix G of the 2013 CEQA Guidelines. Consultant's sub consultant will update the information regarding level of service (LOS) at intersections affected by the PLAN within the APE, using the latest Congestion Management Program. Consultant's sub consultant will describe any other planning documents related to traffic and circulation, including those pertaining to public transportation and bikeways. Impacts discussions and mitigation measures will be revised accordingly, although no major changes are expected.

- **Utilities, Service Systems, and Energy:** Consultant's sub consultant will review and update the information regarding utilities and service systems as necessary. In addition, the CEQA Guidelines require an analysis of impacts to energy, with guidance given in Appendix F. Consultant's sub consultant will review the analysis currently provided in the IS/MND and evaluate the need to expand upon the analysis of impacts to local and regional energy supplies.

- **Mandatory Findings of Significance/Cumulative Effects:** Consultant's sub consultant will review the effects of cumulative effects of the Plan Update and will revise the discussion accordingly to reflect any changes made to the impacts discussion for each environmental resource. The list of past, present, and reasonably foreseeable projects to be considered in the analysis of cumulative effects also will be reviewed and revised. The impact and mitigation conclusions are expected to remain unchanged.

Deliverables:

- Electronic copy of Administrative Draft IS/MND on CD (PDF format)

Task 7.4: Prepare Screencheck Draft IS/MND

Consultant's sub consultant will incorporate the Authority and Consultant's comments into the IS/MND and will prepare a Screencheck Draft IS/MND. The Authority and Consultant will review the document and return final comments to Consultant's sub consultant.

Deliverables

- 2 hard copies of the Screencheck Draft IS/MND
- Electronic copy of Screencheck Draft IS/MND on CD (PDF format)

Task 7.5: Prepare and Distribute Public IS/MND and NOI

Consultant's sub consultant will incorporate final comments made by the Authority and Consultant and then prepare an IS/MND for public review. Consultant's sub consultant will prepare up to 20 hard copies of the IS/MND for public circulation. Consultant's sub consultant will develop a mailing list in coordination with the Authority and Consultant and mail out the IS/MND. Consultant's sub consultant will publish a public notice in the local newspaper of general circulation and will submit copies of the Notice of Intent to adopt a MND to the Los Angeles County Clerk.

Deliverables

- 20 hard copies of Public IS/MND and NOI
- 2 electronic copies of Public IS/MND on CD (PDF format)

Task 7.6: Compile and Evaluate Comments on Public IS/MND

After the required 30-day review period, Consultant's sub consultant will compile all comments received on the Public IS/MND including comment letters, emails, and verbal comments. Consultant's sub consultant will conduct an initial review of all comments received on the Public IS/MND, number them, and categorize them by subject. Consultant's sub consultant will then prepare responses to each comment received. The responses to comments will be appended to the IS/MND for consideration by the PRWA Board of Directors.

Deliverables

- Draft and Final Responses to Comments (PDF format)

Task 7.7: Prepare Final IS/MND and MMRP

Consultant's sub consultant will work with Authority to finalize responses to comments. The IS/MND will not be re-printed or modified from its public draft form. The final environmental document presented to the Authority Board of Directors for consideration will consist of the IS/MND plus comments and the responses to comments.

A Mitigation Monitoring and Reporting Program (MMRP) will be prepared to identify and delineate responsible parties for implementing mitigation measures presented in the IS/MND. Consultant's sub consultant will prepare a Draft and Final MMRP that includes all mitigation measures, responsibility for their implementation, and method and schedule for reporting on their implementation. The Draft MMRP will be submitted to the Authority for review. The Final MMRP will be prepared based on comments received from the Authority.

Deliverables

- 20 hard copies of the Final IS/MND and MMRP
- 2 electronic copies on CD (PDF format)

Task 7.8: Final Certification

Consultant's sub consultant will work with the Authority to ensure that the CEQA process is completed appropriately, including preparing the final MND and Findings of Fact, if necessary. Upon adoption of the IS/MND, Consultant's sub consultant will prepare a Notice of Determination to submit to the Los Angeles County Clerk as required by CEQA.

Task 8: SWRCB Grant Application

Consultant will prepare a draft SWRCB Water Recycled Facility Planning grant application for review by the City and the District. The draft application will be based on this scope of work. Consultant will prepare the grant application such that all tasks (with the exception of this task) will be able to be included and thus covered for cost matching by the grant application.

Consultant will incorporate the City and District comments and submit the grant application to the SWRCB. Consultant will then follow up with the SWRCB to respond to questions and comments they have on the grant application. It is assumed that the Authority will prepare the final grant agreement with the SWRCB and work directly with the SWRCB on grant reimbursement.

Deliverables:

- Draft and final grant application
- Responses to questions and comments by SWRCB staff (assumed via email).

Task 9: Meeting Title XVI Requirements

Because there are minor differences in the SWRCB Facility Plan requirements and the USBR Title XVI Feasibility study requirements, this task is designed to address the additional cost

associated with meeting these requirements. In addition, to receive federal environmental approval, environmental documentation must meet the requirements of a federal Environmental Assessment under NEPA. Note that any work performed under this task would be done in conjunction with Tasks 1 through 7 needed to meet the SWRCB requirements.

Title XVI Feasibility Study Requirements:

Consultant has reviewed both the expected results of the work needed to meet the SWRCB Facility Plan requirements and those needed to meeting the Title XVI Feasibility Study Requirements. The table below outlines the comparison of the requirements. Based on this review the only additional work assumed is a brief summary of the environmental analysis results in the Plan Update.

Analysis of Title XVI Feasibility Study Requirements

Title XVI Feasibility Study Requirements[1]	How Covered in SWRCB Facilities Master Plan or Additional Work
1. Introductory information	Covered via Sections 1 and 2.
2. Statement of problems and needs	Covered via Section 2
3. Water reclamation and reuse opportunities	Covered via Section
4. Description of alternatives	Covered via Section 4.
5. Economic analysis	Covered via Section 4 and 5.
6. Selection of the proposed Title XVI project	Covered via Section 5.
7. Environmental consideration and potential effects	Will add a brief summary of the IS/MND/EA to Section 5. Will append the IS/MND/EA.
8. Legal and institutional requirements	Covered in Sections 1, 2 and 5.
9. Financial capability of sponsor	Covered in Section 5.
10. Research needs	Covered in Section 5.

Note 1: Based on US Bureau of Reclamation WTR 11-01: *Title XVI Water Reclamation and Reuse Program Feasibility Study Review Process.*

NEPA Compliance and Coordination:

The Authority's plan is to seek federal funding for the Plan Update, Title XVI. Additional effort would be required to provide environmental compliance in accordance with the federal National Environmental Policy Act (NEPA). Consultant's sub consultant will prepare a joint CEQA/NEPA document in the form of an IS/MND/Environmental Assessment (EA), if possible. The preparation of an IS/MND/EA would result in additional time required for project management to coordinate with a federal agency, such as BOR, and assist with carrying out NEPA process-related tasks (Task 7.1) and preparation of an expanded environmental document (Tasks 7.3-8). This Scope of Work assumes that the Phase I Cultural Resources Assessment and Addendum (Task 7.2), which would include a revised APE map, would be sufficient for consultation with the State Historic Preservation Officer and satisfy requirements of Section 106 of the National Historic Preservation Act.

Consultant's sub consultant will prepare an IS/MND/EA in accordance with the federal agency's guidance document for NEPA, such as the USBR NEPA Handbook. In particular, the following items would need to be implemented to convert the existing IS/MND into an IS/MND/EA:

- **Project Description and Purpose and Need:** The introductory chapters and project description would need to include a statement of the "proposed action" according to NEPA, the purpose and need for the project, and a discussion of project alternatives that were considered. The reason for rejecting alternatives from further consideration also needs to be addressed.

- **No Project Alternative:** The No Project Alternative needs to be explained and evaluated for every resource area in the Environmental Checklist.

- **Environmental Checklist:** Per the federal agency's NEPA guidance, the Environmental Checklist would be amended to include additional significance criteria or resource categories, in accordance with federal regulations or Executive Orders. Environmental Justice would be added as a Checklist category and an analysis of the potential for the proposed project to disproportionately affect minority and low-income populations in compliance with Executive Order 12898 would be evaluated.

Task 10: Recycled Water Rate Study

In support of their preparation of the Recycled Water Facilities Master Plan Update, the Authority is undertaking recycled water financial study to provide a sound and viable water rate analysis that defines the Authority's funding needs and potential sources, capital financing options, and development of cost-of-service rates and fees. The following defines the proposed scope of services that Consultant will perform for this study as desired by the Authority:

Task 10.1 – Rate Study Kick-Off

Consultant will hold an on-site project kick-off and data review meeting with key Authority staff members. The meeting will allow the team to discuss critical project objectives, project milestones, and data requirements. Prior to the kick-off meeting, a data request will be submitted to the Authority in order to allow staff to compile the study information.

Deliverables:

- Materials and notes from rate study kick off.

Task 10.2 – Model Development

Consultant will prepare a financial model tailored to the Authority's needs. It will be simple in nature to allow ease of use by Authority staff in the future. We will discuss the needs and preferences of the financial model with Authority staff during the kick-off meeting. A model dashboard will be constructed to provide a simple and illustrative method for exploring the impacts of critical influencing variables, such as capital investments, demand projections, and rate and fee alternatives.

Following the completion of this study, the Authority will receive a copy of the rate model, built within Microsoft® Excel.

Deliverables:

- Financial model

Task 10.3 –Revenue Requirement Analysis

At the heart of the financial plan and rate analysis, the revenue requirement analysis determines the amount of rate revenue needed in a given year to meet a utility's expected financial obligations. Consultant will generate and analyze the short- and long-term revenue and expenditure projections of the Authority's water funds.

Understanding and accounting for the Authority's short- and long-term water supply objectives, projected operating and capital costs, repair and replacement needs, and possible regulatory changes are crucial to the overall effectiveness of the financial plan and rate model. As such, the revenue requirements analysis is the keystone of the overall rate analysis and will be undertaken in close collaboration with Authority staff and will incorporate capital alternatives developed through the recycled water master planning update process.

Deliverables:

- Results incorporated in draft rate study report.

Task 10.4 –Rate and Fee Alternatives Analysis

Consultant will explore possible rate, fee, and other funding sources to support the expansion of the Authority's recycled water program. Consultant will develop a white paper outlining approaches, including sharing of costs with potable water users. The evaluate alternatives will consider and comply with Proposition 218 and Government Code §66000 requirements.

A cost-of-service analysis will be conducted, beginning with the allocation of expenditures based on utility specific processes and functions based on the Authority's operational and capital needs. Specifically, Consultant will review and analyze recycled water production and delivery costs related to recycled water operations, maintenance, and capital improvements.

In conjunction with Task 2 (Market Assessment) Consultant will conduct a review of the District's water FY 2011/12 consumption data as well as the customer class level summary consumption data from FY 2009/10 and FY 2010/11. This analysis will provide a critical understanding of customer demand patterns and price elasticity factors.

Each rate alternative will be designed to equitably recover costs from system users based on their specific use of the recycled water system. Consultant will review and evaluate the existing rate structure for cost recovery, revenue stability, cost of service, and overall effectiveness.

Based on preferred rate and fee alternatives, Consultant will develop a cost-of-service analysis. Under California law, municipal agencies may not charge more for recycled water than potable water. The cost-of-service rate and fee analysis will illustrate any under collection of recycled water revenues and requirements for offsetting revenues.

Deliverables:

- Results incorporated in draft rate study report.

Task 10.5 – Develop Draft and Final Rate Study Report

Consultant will develop a draft summary report that documents the study methodology, findings, and recommendations. The report is assumed to be included as an appendix of the Plan

Update. After receiving comments from the Authority on the Draft Report, Consultant will provide the Authority with an electronic copy of the Final Rate Study Report. The study analysis and models developed throughout the project will also be transferred to the Authority.

Deliverables:

- Draft rate study report (submitted electronically)
- Final rate study report (submitted electronically and included in hard copy format under Task 5)

Task 10.6 – Review Meeting

Consultant will hold an onsite review meeting with the Authority once the preliminary financial and rate analysis has been completed. This meeting will allow Authority staff and the consulting team to discuss the analysis in detail and use the financial model to test critical variables. Consultant is also available throughout the course of the study to meet via on-line conferencing.

Deliverables:

- Materials and notes from preliminary review meeting.

Task 10.7 – Board Presentation

Consultant will participate in one (1) Board workshop in order to present the study findings and recommendations. The presentation will be designed to provide an overview of the proposed rate and fee structure alternatives, revenue needs of the system, and overall funding approach.

Deliverables:

- Materials for Board presentation.

Exhibit B

Fee Schedule

TASK	TASK DESCRIPTION	FEE
1	Update Introduction and Project Setting	$ 5,167
2	Update Market Assessment	$ 4,789
3	Update Alternatives Development/Analysis	$ 13,922
4	Prepare Recommended Project	$ 11,521
5	Prepare Reports	$ 26,722
6	Project Management	$ 6,898
7	Prepare CEQA Documentation	$ 21,001
8	SWRCB Grant Application	$ 2,883
9	Meet Title XVI Requirements	$ 8,273
10	Recycled Water Rate Study	$ 25,491
	TOTAL	**$126,667**

#3 Consultant Services Form / not design-not to exceed
Approved 04/02/12 (Do not modify without City Attorney approval)

Exhibit C

Key Personnel

Principal-in-Charge	Tom West
Technical Reviewers	Tracy Clinton/Jack Adam
Project Manager	David Rydman
Project Engineer	Inge Wiersema
Modeling	Brian Brenhaug
Facilities	Bijan Sadeghi
Water Quality	Andrew Salveson
Finance	Rob Grantham
Grants	Erika Barrazi
GIS and Graphics	John Meyerhofer
Finance Support	Pierce Rossum
Analyst	Alex Bugbee

CONSULTANT CORPORATE INFORMATION

The names of all persons interested in the forgoing as principals of CONSULTANT are as follows:

_____

_____

IMPORTANT NOTICE: If CONSULTANT is a corporation, state legal name of corporation and names of the president, secretary, treasurer, and manager thereof authorized to execute this Contract; if a co-partnership, state true name of firm, names of all individual co-partners composing firm.

The representations made herein are made under penalty of perjury.

Employers Tax Identification No._____. To comply with Internal Revenue Service requirements, the Palmdale Recycled Water Authority will report any payments exceeding $600.00 within a calendar year.

(IF APPLICABLE)

Name of Partnership or Firm: _____

Business Address: _____

(All partners must sign – use separate sheet if necessary)

Signed: _____ Name: _____

Title: _____ Address: _____

Signed: _____ Name: _____

Title: _____ Address: _____

(IF APPLICABLE)

Name of Corporation: _____

Business Address: _____

Corporation organized under the laws of the State of: _____

SEAL

_____
Signature of Corporate Secretary

(Attach Applicable Corporate Resolutions)

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: March 14, 2013 **March 20, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Mischel, Assistant Executive Director, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 6.2 – CONSIDERATION AND POSSIBLE ACTION ON ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) AND WATEREUSE ASSOCIATION MEMBERSHIPS

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the PWRA become a member of the Association of California Water Agencies (ACWA) in the amount of $318.75 and the WateReuse Association in the amount of $3,348.80.

This action authorizes the PRWA staff to submit membership applications and pay associated annual dues.

Background:

ACWA membership is open to any public agency, special district or organization created and operated for the purpose of managing, treating, acquiring, using or supplying water for any purpose within California.

The PRWA will receive the following benefits by joining ACWA:

- Subscriptions to ACWA's biweekly printed newsletter ACWA News for the board of directors, general manager and up to three other people within the PRWA.
- Discounted rates on all ACWA-sponsored events and publications
- Copies of ACWA's annual Summary of Legislation and ACWA's Summary of Appellate Cases.
- Participation in ACWA's insurance programs: PRWA staff is looking into the benefits of participating in ACWA/JPIA's various insurance programs to cover the PRWA with liability and property insurance.
- Effective representation in the legislative and regulatory arenas in Sacramento and Washington, D.C.
- Access to expertise in water quality, local government, water management and other areas.
- Timely, informative communications on important issues

- Access to valuable programs and services through ACWA's Preferred Provider Program
- Opportunities to network with local, state and federal officials
- Participation in ACWA's active region and committee structure

The ***WateReuse Association*** is a nonprofit organization whose mission is to advance the beneficial and efficient uses of high-quality, locally produced, sustainable water sources for the betterment of society and the environment through advocacy, education and outreach, research, and membership.

WateReuse Association members are part of a dynamic network whose focus is on the development of water reuse projects. The Association has four strategic initiatives — advocacy, education and outreach, research, and organization and membership. In each of these initiatives, the Association provides benefits for its members.

Financial Impact:

The 2013 PRWA Budget includes $6,000 for annual memberships. The total amount for the ACWA and WateReuse 2013 annual dues is $3,667.55. PRWA staff does not anticipate any additional membership requests in 2013.

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: March 13, 2013 **March 20, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Mischel, Assistant Executive Director, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 6.4 – CONSIDERATION AND POSSIBLE ACTION ON THE AUTHORITY'S 2013 BUDGET

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends approving the proposed 2013 budget as presented in the 2013 Budget Document.

Background:

A part of the Palmdale Recycled Water Authority's duties is to create an annual operating budget. The proposed 2013 Budget highlights revenue from water sales, member contributions, and anticipated grants. The budget also outlines expenditures such as consultant services, training, and recycled water purchases.

Due to the possibility of unanticipated expenditures, staff recommends setting aside the unencumbered balance of funds. This balance of funds will also offset any unexpected repairs on either the pump station or the mainline.

Financial Impact:

As set forth in the attached budget document, the 2013 budget indicates proposed revenue of $280,000 and expenditures of $186,000, resulting in a budget balance of $94,000. This revenue balance is recommended to be set aside for the Authority's Reserves.

Supporting Documents:

Proposed 2013 Budget.

Palmdale Recycled Water Authority

Proposed Budget - CY 2013

	2013 Proposed	2014 Projected	2015 Projected	2016 Projected
Revenues:				
Palmdale Water District Contributions	$ 100,000	$ -	$ -	$ -
City of Palmdale Contributions	$ 100,000	$ -	$ -	$ -
Interest Earnings	$ -	$ -	$ -	$ -
Water Sales	$ 17,000	$ -	$ -	$ -
Meter Fees	$ 3,000	$ -	$ -	$ -
Developer/Capacity Fees	$ -	$ -	$ -	$ -
Grants	$ 60,000	$ -	$ -	$ -
Total Revenue	$ 280,000	$ -	$ -	$ -
Expenditures:				
Director's Compensation	$ -	$ -	$ -	$ -
Insurance	$ 5,000	$ -	$ -	$ -
Office Supplies	$ 1,000	$ -	$ -	$ -
Training	$ 10,000	$ -	$ -	$ -
Memberships	$ 6,000	$ -	$ -	$ -
Outreach	$ 1,000	$ -	$ -	$ -
Legal Services	$ -	$ -	$ -	$ -
Recycled Water System Master Plan	$ 115,000	$ -	$ -	$ -
Recycled Water Rate Study	$ 25,000	$ -	$ -	$ -
Membership Contract Services - Administration (COP)	$ -	$ -	$ -	$ -
Membership Contract Services - Financial (COP)	$ -	$ -	$ -	$ -
Membership Contract Services - Operations and Maintenance (PWD)	$ -	$ -	$ -	$ -
Membership Contract Services - Engineering and Planning (Jointly)	$ -	$ -	$ -	$ -
Contracted Services - Miscellaneous	$ -	$ -	$ -	$ -
Capital Construction - Distribution System	$ -	$ -	$ -	$ -
Capital Construction - On-Site Conversion	$ -	$ -	$ -	
Water Purchases - LACSD	$ 15,000	$ -	$ -	$ -
Electricity - Booster Station LACSD	$ 8,000	$ -	$ -	$ -
Total Expenditures	$ 186,000	$ -	$ -	$ -
Net Income (Loss)	$ 94,000	$ -	$ -	$ -