PALMDALE WATER DISTRICT

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ALESHIRE & WYNDER LLP
Attorneys

Board of Directors

ROBERT E. ALVARADO
Division 1

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Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

May 21, 2015

Agenda for Regular Meeting
of the Board of Directors of the Palmdale Water District
to be held at the District's office at 2029 East Avenue Q, Palmdale

Wednesday, May 27, 2015

6:00 p.m.

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: **The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.**

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

1) Pledge of Allegiance.

2) Roll Call.

3) Adoption of Agenda.

4) Public comments for non-agenda items.

5) Presentations:

   5.1) Water Awareness School Educational Program contest winners. (PIO/Conservation Director McNutt)

6) Recess.

7) Presentations:

7.1) Cash for Grass Rebate Program. (PIO/Water Conservation Director McNutt)

8) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)

8.1) Approval of minutes of regular meeting held May 13, 2015.

8.2) Payment of bills for May 27, 2015.

8.3) Approval of adoption of a Y-Rating Policy as Article 16, Section 16.01, of the Rules and Regulations. (Human Resources Director Emery/Personnel Committee)

8.4) Approval of Resolution No. 15-11 Approving Job Descriptions for Operations Technicians I/II and Salary Ranges. (Human Resources Director Emery/Personnel Committee)

8.5) Approval of amendment to Aleshire & Wynder, LLP General Counsel Contract to extend term of discounted rates and appoint Eric Dunn as General Counsel and Adrian Guerra as Assistant General Counsel. (General Counsel Quilizapa)

9) 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.)

9.1) Consideration and possible action on Resolution No. 15.9 Declaring Continued Emergency Water Conservation Restrictions and Reaffirming State Water Resources Control Board (SWRCB) Regulations on the Delivery and Consumption of Water for the Purpose of Achieving the Mandated 32% Reduction in Potable Water Use and Declaring an Elevated Water Shortage Emergency and Adopting Stage 3 of Palmdale Water District's Urban Water Management Plan Calling for Mandatory Conservation in Compliance With the State Water Resources Control Board's Emergency Regulation as Amended on May 5, 2015 Through Resolution No. 2015-0032. (Water & Energy Resources Director Pernula/Water Supply & Reliability Committee)

9.2) Consideration and possible action on Resolution No. 15-10 Amending the Rules and Regulations as They Relate to Notice Given to Delinquent Consumers and Actual Users, Including Amendment of Article 8, Section 8.04 (G) Titled "Delinquent Bills" and Amendment of Article 10, Section 10.02 Titled "Application for Service." (Finance Manager Williams/Ad Hoc Committee)

9.3) Consideration and possible action on rescheduling second Regular Board Meeting in June. (General Manager LaMoreaux)

9.4) Discussion of status of the total reallocation of recycled water to supply the Palmdale Recycled Water Authority. (Director Dizmang/General Manager LaMoreaux)

9.5) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2015 Budget:

a) None at this time.

10) Information Items:

10.1) Reports of Directors:

a) Meetings/General Report.

b) Standing Committee/Assignment Reports (Chair):
1) Outreach Committee
2) Water Supply & Reliability Committee
3) Palmdale Recycled Water Authority

10.2) Report of General Manager.

10.3) Report of General Counsel.

11) Public comments on closed session agenda matters.

12) Closed session under:

12.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases.*

12.2) Conference with Legal Counsel – Anticipated Litigation: A closed session will be held, pursuant to Government Code §54956.9(d)(2) & (e)(2) because there is a significant exposure to litigation in one case.

12.3) Conference with Legal Counsel – Potential Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(3) and (4), to confer with District General Counsel regarding to determine whether to initiate litigation.

13) Public report of any action taken in closed session.

14) Board members' requests for future agenda items.

15) Adjournment.

Dennis D. LaMoreaux

_____

DENNIS D. LaMOREAUX,
General Manager

DDL/dd

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE:	May 20, 2015	**May 27, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Jennifer Emery, Human Resources Director	
VIA:	Mr. Dennis D. LaMoreaux, General Manager	
RE:	***AGENDA ITEM NO. 8.3 - APPROVAL OF ADOPTION OF A Y-RATING POLICY AS ARTICLE 16, SECTION 16.01, OF THE RULES AND REGULATIONS.***	

Recommendation:

Staff recommends that the Board approve adopting the attached Y-Rating Policy.

Alternative Options:

Maintaining the Personnel Section 16 of our Rules and Regulations in its current status.

Background:

Currently, our Personnel Section of the District's Rules and Regulations does not have a Y-rating policy in place. Y-rating is a procedure whereby an employee who is reclassified, transferred or demoted downward to a classification having a lower pay range than his/her current classification may retain his/her current pay rate after the position change. Except as specifically prohibited elsewhere, Y-ratings shall be given when persons or positions are reclassified, transferred or demoted downward for the District's convenience without considering an employee's merit or lack of it. Employees with Y-ratings will be frozen at their current pay rate and will not receive a salary range adjustment or cost of living increase until the salary range related to their new position exceeds the Y-rated pay rate. Shift differential shall be paid in addition to the Y-rated pay rate when the employee's new position qualifies for such pay. Other differentials shall be added to the Y-rated pay rate, as applicable. Y-ratings shall be approved or denied at the discretion of the General Manager.

Strategic Plan Initiative:

This work is part of Strategic Plan Initiative No. 2: Increased Efficiency.

Budget:

There is no addition to budget.

Supporting Documents:

- Amendment to Rules and Regulations

ARTICLE 16 -

SECTION 16.01: Y-RATING POLICY

"Y-rating" is a procedure whereby an employee who is reclassified, transferred or demoted downward to a classification having a lower pay range than his/her current classification may retain his/her current pay rate after the position change. Except as specifically prohibited elsewhere, Y-ratings shall be given when persons or positions are reclassified, transferred or demoted downward for the District's convenience without considering an employee's merit or lack of it. Employees with Y-ratings will be frozen at their current pay rate and will not receive a salary range adjustment or cost of living increase until the salary range related to their new position exceeds the Y-rated pay rate. Shift differential shall be paid in addition to the Y-rated pay rate when the employee's new position qualifies for such pay. Other Differentials shall be added to the Y-rated pay rate, as applicable. Y-ratings shall be approved or denied at the discretion of the General Manager.

The practice of Y-rating is not to be confused with disciplinary involuntary demotion, salary range adjustments, or other normal personnel procedures. Y-ratings are sometimes, but not always, associated with a reorganization and redistribution of duties and responsibilities within the District.

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: May 20, 2015 **May 27, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Jennifer Emery, Human Resources Director

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 8.4 – APPROVAL OF RESOLUTION NO. 15-11 APPROVING JOB DESCRIPTIONS FOR OPERATIONS TECHNICIANS I/II AND SALARY RANGES.***

Recommendation:

Staff recommends that the Board approve the signing of Resolution No. 15-11 which confirms the Board's previous vote on April 8, 2015 regarding the consolidation of maintenance positions, job descriptions and salary ranges into the Operations Technician I/II positions.

Alternative Options:

The Board has previously approved the job descriptions and salary ranges.

Background:

On April 8, 2015, the Board approved job descriptions and salary ranges for Operations Technician I/II which included the previous job descriptions of Pump Operator I/II, Equipment Mechanic I/II, Plant Maintenance Mechanic I/II, and Senior Plant Maintenance Mechanic. This consolidation allowed the District to standardize our requirements across our maintenance positions and allow for flexibility among specialty groups which now allows the District to assign staffing where most needed.

Strategic Plan Element:

This work is part of Strategic Plan Initiative No. 2: Increased Efficiency.

Budget:

There is no addition to budget.

Supporting Documents:

- Resolution No. 15-11 Approving Job Descriptions for Operations Technicians I/II and Salary Ranges

RESOLUTION NO. 15-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING JOB DESCRIPTIONS FOR OPERATIONS TECHNICIANS I/II AND SALARY RANGES.

WHEREAS, the Board of Directors of the Palmdale Water District has adopted a new job description entitled Operations Technician I/II in order to gain the maximum efficiency for the District; and

WHEREAS, this job description is inclusive of all employees previously under the job descriptions of Pump Operators I/II, Plant Maintenance Mechanic, Senior Plant Maintenance Mechanic, and Equipment Mechanic I/II.

WHEREAS, this job description complies with the Y-rating policy adopted by the Board of Directors of the Palmdale Water District.

NOW, THEREFORE, BE IT RESOLVED that the job description for Operations Technician I will be at salary range 24, and the job description for Operations Technician II will be at salary range 26.

PASSED AND ADOPTED this 27th day of May, 2015.

_____
President, Board of Directors

_____
Secretary, Board of Directors

APPROVED AS TO FORM:

BY:_____
ALESHIRE & WYNDER, General Counsel

ALESHIRE & WYNDER LLP
ATTORNEYS AT LAW

TO: Honorable President & Members of the Board,
Palmdale Water District

FROM: Patty Quilizapa
General Counsel

,

SUBJECT: Item 8.5: ***Proposed Amendment to General Counsel Contract to Extend Term of Discounted Rates and Overview of Legal Fees and Costs in First Year of Contract***

***Proposed Action*: Approve Second Amendment to General Counsel Agreement**

I. OVERVIEW AND REQUEST FOR BOARD APPROVAL

Our firm regularly offers discounted rates to new clients for General Counsel or City Attorney services to allow our attorneys to become familiar with ongoing issues at the client agency. For Palmdale Water District, A&W's contract provides for a discounted rate of $205 per hour for the first 50 hours of advisory and transactional services, and a rate of $235 per hour for every hour thereafter. After the first year, however, the discounted rate applies only to the first 25 hours.

Due to the level of involvement General Counsel has taken in the review of the District's Rules and Regulations, Strategic Planning, Board development, rate increase hearings, and other matters, our firm proposes to extend the 50-hour discounted rate term for an additional eight months through December 31, 2015. Indeed, we are already applying the extended discounted billing past the March 31, 2015 date the discount was to expire.

To make the extended discounted rate official, we request the Board approve the amendment to the existing General Contract, which is reflected solely at Exhibit A of the contract and shown in the attached redline version and here as follows:

> Below, we have proposed an hourly-rate approach that includes a discounted rate similar to what a monthly retainer arrangement provides. This discount would be for the first 25 hours, except given the added costs of transition of services, in the first ~~year~~ 21 months through December 31, 2015 the discount would apply to the first 50 hour of general services for each month. However, if more than half of your general service hours are typically falling outside of the discount, we are prepared to adjust it.

* * *

1. Advisory Services & Transactional Services: Advisory Services are general counsel services such as communications with the District on general water issues, upcoming agendas, and Commission and Board meetings, with occasionally the need for limited legal or factual research. Transactional Services are those that require drafting of correspondence, memos, or contracts, which may require legal or factual research.	**First 25 hours:** $205/hr. **After 25 hours:** **Partners & Of Counsel:** $235 **Associates:** $195 **Paralegal:** $150 **Law Clerk:** $90 **Legal Assistant & Clerical Support:** $0 [For ~~1st year~~first 21 months through December 31, 2015 the discount for the 1st 25 hours shall apply to the first 50 hours]

II. APPOINTMENT OF ERIC DUNN AS GENERAL COUNSEL AND ADRIAN GUERRA AS ASSISTANT GENERAL COUNSEL

I currently proudly serve as General Counsel for the District. As of May 29, 2015, however, I will be transitioning from private practice to an in-house public agency position. It has been a pleasure to serve the Board, staff, and the public in the position of General Counsel for the District. Aleshire & Wynder proposes Mr. Eric Dunn and Mr. Adrian R. Guerra as General Counsel and Assistant General Counsel for the District. Both have extensive experience advising public agencies and specifically advising public agencies with groundwater rights and municipal water services.

The transition to Messrs. Dunn and Guerra requires an appointment by the Board and approval of the attached proposed amended agreement.

[END OF MEMORANDUM]

AMENDMENT NO. 2 TO THAT CERTAIN CONTRACT SERVICES AGREEMENT FOR GENERAL COUNSEL SERVICES PALMDALE WATER DISTRICT

This AMENDMENT NO. 2 to that certain CONTRACT SERVICES AGREEMENT FOR GENERAL COUNSEL SERVICES PALMDALE WATER DISTRICT (herein the "Amendment No. 1"), is effective as of the 31st day of May, 2015, by and between the PALMDALE WATER DISTRICT ("DISTRICT") and Aleshire & Wynder, LLP, a California limited liability partnership (hereinafter referred to as "A&W").

R E C I T A L S

A. DISTRICT has previously retained A&W pursuant to the terms and conditions of that certain CONTRACT SERVICES AGREEMENT FOR GENERAL COUNSEL SERVICES PALMDALE WATER DISTRICT (the "Agreement") dated on or about March 14, 2014.

B. The parties entered into the First Amendment of the Agreement as of December 31, 2014, to reflect Patricia Quilizapa would serve as General Counsel.

C. The parties desire now to amend such Agreement once again as set forth hereinafter in this Amendment No. 2.

C O V E N A N T S:

In consideration of the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, DISTRICT and A&W agree as follows:

Section 1. Article 1 of the Agreement is amended to reflect the appointment of Eric Dunn as General Counsel and Adrian R. Guerra as Assistant General Counsel in light of the transition of Patty Quilizapa from the firm, and shall read as follows:

> "District hereby appoints Eric Dunn as General Counsel, Adrian R. Guerra, as Assistant General Counsel, and hires A&W therefore to render the legal services as specified herein, including for water, environmental, special District, and public law legal services as specified herein, under the direction of the District Board.
>
> A&W represents that it employs, or will employ at its own expense, all personnel required for the satisfactory performance of any and all tasks and services set forth herein. A&W shall not replace the designated General Counsel (or any successors to such person) without the Board's prior approval."
>
> ///

Section 2. Section B.1 of Exhibit A of the Agreement is amended to reflect a 9-month extension of the time during which the initial discounted rates of the firms apply and shall read as follows:

A. HOURLY RATES*

PROPOSED RATES PER HOUR	
1. Advisory Services & Transactional Services: Advisory Services are general counsel services such as communications with the District on general water issues, upcoming agendas, and Commission and Board meetings, with occasionally the need for limited legal or factual research. Transactional Services are those that require drafting of correspondence, memos, or contracts, which may require legal or factual research.	**First 25 hours:** $205/hr. **After 25 hours:** **Partners & Of Counsel:** $235 **Associates:** $195 **Paralegal:** $150 **Law Clerk:** $90 **Legal Assistant & Clerical Support:** $0 [For 21 months through December 31, 2015 the discount for the 1st 25 hours shall apply to the first 50 hours]

Section 3. Except as set forth herein, all other terms, conditions, and provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date stated below for execution by the Board President.

PALMDALE WATER DISTRICT

Dated: _____ By: _____
Kathy MacLaren, President

ATTEST:

_____
Joe Estes, Secretary

ALESHIRE & WYNDER, LLP

Dated: _____ By: _____
Eric Dunn

[END OF SIGNATURES]

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: May 20, 2015 **May 27, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Jon M. Pernula, Water and Energy Resources Director

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 9.1 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 15.9 DECLARING CONTINUED EMERGENCY WATER CONSERVATION RESTRICTIONS AND REAFFIRMING STATE WATER RESOURCES CONTROL BOARD (SWRCB) REGULATIONS ON THE DELIVERY AND CONSUMPTION OF WATER FOR THE PURPOSE OF ACHIEVING THE MANDATED 32% REDUCTION IN POTABLE WATER USE AND DECLARING AN ELEVATED WATER SHORTAGE EMERGENCY AND ADOPTING STAGE 3 OF PALMDALE WATER DISTRICT'S URBAN WATER MANAGEMENT PLAN CALLING FOR MANDATORY CONSERVATION IN COMPLIANCE WITH THE STATE WATER RESOURCES CONTROL BOARD'S EMERGENCY REGULATION AS AMENDED ON MAY 5, 2015 THROUGH RESOLUTION NO. 2015-0032.***

Recommendation:

Staff and the Water Supply & Reliability Committee recommend the Board adopt Resolution No. 15-9 being a Resolution of the Board of Directors of the Palmdale Water District Declaring Continued Emergency Water Conservation Restrictions and Reaffirming State Water Resources Control Board (SWRCB) Regulations on the Delivery and Consumption of Water for the Purpose of Achieving the Mandated 32% Reduction in Potable Water Use and Declaring an Elevated Water Shortage Emergency and Adopting Stage 3 of Palmdale Water District's Urban Water Management Plan Calling for Mandatory Conservation in Compliance With the State Water Resources Control Board's Emergency Regulation as Amended On May 5, 2015 Through Resolution No. 2015-0032.

Background:

The 2015 water year is the fourth consecutive dry year and has delivered historically low snowpack. Water resources and reserves are dwindling throughout the state, and there is the real possibility that the drought cycle could continue into 2016 and beyond. In response to the drought, the District urged our customers to cooperate in water use efficiency efforts, declared emergency conservation restrictions, and adopted State Water Resources Control Board Regulations on delivery and consumption of water for public use in order to help lower overall water demand. Through publicity notices and staff outreach, the District was hoping to offset shortages through reduced water use. The District recognizes the past efforts of our customers in exceeding the state required 20% reduction by year 2020 but have yet to realize sufficient additional reductions in water use this year.

With continuing concerns over the extreme drought conditions throughout California, the Governor has issued an executive order mandating a 25% reduction in urban water use throughout the State when compared to 2013 usage. This order also reaffirms prior drought restrictions while mandating further restrictions and programs for the purpose of achieving statewide reduction in water use. Further, the resolution adopted by the SWRCB prescribed a mandatory 32% reduction for the District compared to 2013 usage.

In order to comply with the governor's order and with the State Board's amended regulations, District staff is recommending adoption of Resolution No. 15-9 and adoption of Stage 3 mandatory conservation per our 2010 Urban Water Management Plan's Water Shortage Contingency Provision. This Resolution declares a water shortage emergency, extends and amends mandatory water conservation restrictions, and complies with the State Water Resources Control Board's current regulations on the delivery and consumption of water for public use. The Resolution also conforms to our phase 3 Water Shortage Contingency Plan under our current Urban Water Management Plan (UWMP).

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 1 – Strategic Water Management.

Budget:

Conservation resulting from adoption of Resolution No. 15-9 may have a negative impact on revenues from decreased water sales.

Supporting Documents:

- Resolution No. 15-9
- Executive Order B-29-15
- SWRCB Resolution No. 2015-0032

PALMDALE WATER DISTRICT
RESOLUTION NO. 15-9

RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT DECLARING CONTINUED EMERGENCY WATER CONSERVATION RESTRICTIONS AND REAFFIRMING STATE WATER RESOURCES CONTROL BOARD REGULATIONS FOR THE PURPOSE OF ACHIEVING THE MANDATORY PRESCRIBED 32% REDUCTION IN POTABLE WATER USE

WHEREAS, Palmdale Water District ("District") is a water district empowered to provide water service within District boundaries; and

WHEREAS, due to inadequate snowfall and rainfall, opposition to the development and construction of water supply facilities, and legal restrictions on the flow of State Water Project water to Southern California, California in general, and the Antelope Valley, in particular, is experiencing shortages in water supplies; and

WHEREAS, the State Water Project allocation for 2015 has been established at a critically low 20% and deliveries have, therefore, been drastically curtailed in response to the inadequacy of water supplies; and

WHEREAS, groundwater supplies which provide a supplemental source of water to the District, are limited in nature, being subjected to increased demands, and now subject to legal rulings arising from a groundwater basin adjudication action that further limit the District groundwater supplies; and

WHEREAS, conservation of water by all District consumers that have not already conserved will help relieve the problems caused by the shortage in water supplies; and

WHEREAS, the District has attempted, through its public information program, to advise and alert the consumers to the serious nature of the water supply situation. Customers have made significant progress in water use efficiency from pre-2009 by exceeding the State required 20% reduction by the year 2020 under SBX 7-7, but the District has not experienced any significant reduction in consumer demand compared to 2013; and

WHEREAS, on January 17, 2014, Governor Edmund G. Brown Jr. issued a Proclamation January 17, 2014 declaring a State of Emergency to exist in California due to severe drought conditions; and

WHEREAS, on April 25, 2014, Governor Edmund G. Brown Jr. further issued an Executive Order to strengthen the state's ability to manage water and habitat effectively in drought conditions and called on all Californians to redouble their efforts to conserve water; and

WHEREAS, on April 1, 2015, Governor Edmund G. Brown Jr. further issued an Executive Order to re-affirm the orders and provisions contained in the January 17, 2014 Proclamation, the April 25 Proclamation, and Executive Orders B-26-14 and B-28-14 and mandated further restrictions and programs for the purpose of achieving a statewide reduction in potable water use through February 28, 2016; and

WHEREAS, on May 5, 2015, The State Water Resource Control Board adopted Resolution 2015-0032, prescribing mandatory 32% conservation for Palmdale Water District from June 1, 2015-February 28, 2016 compared to the same months in 2013; and further affirmed the restrictions and programs specified in Executive Order B-29-15; and

WHEREAS, the District adopted Resolution No. 14-9 on May 14, 2014 urging heightened water conservation by customers in response to drought and the April 25, 2014 Governor's Proclamation; and

WHEREAS, Water Code Section 1058.5 grants the State Water Resources Control Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;" and

WHEREAS, on July 15, 2014, the State Water Resources Control Board adopted emergency water conservation regulations prohibiting all individuals from engaging in certain water use practices and would require mandatory conservation-related actions of public water suppliers during the current drought emergency; and

WHEREAS, following the making of findings as required by law, the District has the power and authority to adopt mandatory water conservation measures within its boundaries pursuant to Part 5 of the Irrigation District Law, codified at Division 11 of the California Water Code; and

WHEREAS, the District is required to comply with State law, including regulations adopted by the State Water Resources Control Board (SWRCB), codified at Title 23 of the California Code of Regulations and is authorized pursuant thereto to implement its requirements; and

WHEREAS the District now desires to comply with the SWRCB emergency water conservation regulations and to implement the Stage 3 Water Shortage Emergency Plan contained in the District's 2010 Urban Water Management Plan, including mandatory water rationing which measures shall be implemented.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Palmdale Water District as follows:

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

1) On July 15, 2014, the State Water Resources Control Board issued mandatory Emergency Water Conservation Regulations prohibiting all individuals from engaging in certain water use practices and requiring the District to implement its mandatory water conservation measures.

2) The State Water Project water available to the District is a critically low (20%) allocation.

3) Continued production of water from the groundwater basin without proportionate recharge of the basin through stream runoff, rainfall, and snow melt could result in irreparable damage to the storage capacity of the basin aquifers and impair the long-term water delivery capability of the District.

4) Voluntary water conservation measures have not resulted in the recommended 25% reduction in consumption.

5) At present, without supplemental supplies, the anticipated water available to the District is insufficient to meet anticipated demands.

6) Should existing drought conditions continue, or should the District lose its water production capacity, there may be insufficient water available for human consumption, sanitation and fire protection.

Section 2: Declaration of Stage 3 Water Shortage Emergency: The Board of Directors of the District, in accordance with the foregoing findings, hereby determines and declares the existence of an emergency condition of water shortage within its service area and further determines and declares that the regulations and restrictions on delivery of water and consumption of water within its service area as hereinafter set forth are necessary, in the sound discretion of the Board of Directors of the District, to conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

Section 3: Authorization to Implement Restrictions on Water Consumption: The Board of Directors of the District hereby authorizes the General Manager of the District to take specific steps to meet water conservation goals, regulations, and restrictions on water consumption as hereinafter set forth.

Section 4: Conservation Goal and Authorized Actions. The conservation goal of the District and the State Water Board is a reduction in water use of thirty-two percent (32%) when compared against usage in 2013, which goal is mandatory through February 28, 2016. The General Manager is authorized to implement Action 1 Paragraphs 1 through 13 of this Resolution to meet said conservation goal.

Action 1. Mandatory Water Conservation Regulations. The General Manager shall take all steps necessary to advise the District's customers of the following mandatory regulations and to enforce them in accordance with the District's existing Waste of Water Policy:

1. There shall be no hose washing of sidewalks, walkways, buildings, walls, patios, driveways, parking areas or other paved surfaces, or walls, except to eliminate conditions dangerous to public health or safety or when required as surface preparation for the application of architectural coating or painting.

2. Washing of motor vehicles, trailers, boats and other types of equipment shall be done only with a hand-held nozzle for quick rinses, except that washing may be done with reclaimed wastewater or by a commercial car wash using recycled water.

3. No water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar aesthetic structures unless such water is part of a closed recycling system.

4. No restaurant, hotel, cafe, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested and shall display a notice to that effect.

5. All water users shall repair all leaks from indoor and outdoor plumbing fixtures within one week of discovery.

6. No lawn, landscape, or other turf area shall be watered more often than two (2) days per week nor during the hours between 10:00 a.m. and 6:00 p.m. Water days will be set as follows: Wednesdays and Saturdays only.

7. Irrigation with potable water of ornamental turf on public street medians is prohibited.

8. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.

Under Stage 3 exemption 6b. is revoked.

Exemptions:

a. No watering hour restrictions during the months of November, December, January, February, and March. Watering can occur between the hours of 6:00 a.m. and 6:00 p.m.

b. ~~The District will allow an exemption from the watering schedule if an ET based controller is installed and operating. *The ET Controller Exemption Form* must be completed and the installation verified by a licensed landscape architect or PWD staff.~~

9. No water users shall cause or allow the water to run off landscape areas into adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering. If cited, random acts of vandalism will be considered in any appeal.

10. No water shall be applied to outdoor landscapes during and within 48 hours of measurable rainfall.

11. The owner and manager of every hotel, motel, inn, guest house, bed and breakfast facility, and short-term commercial lodging shall post a notice of such shortage and any necessary compliance measures.

12. Commercial nurseries, golf courses, parks, school yards, and other public open space, and landscaped areas shall be prohibited from watering lawn, landscaping, and other turf areas no more than two (2) days a week (Wednesdays and Saturdays) and between the hours of 6:00 a.m. and 6:00 p.m. except that there shall be no restriction on watering utilizing reclaimed water or where public use requires a modified and approved watering schedule.

    Under Stage 3 exemption 6c is revoked.

    Exemptions:

    a. Athletic field watering can occur between the hours of 6:00 p.m. and 10:00 a.m. the following morning.

    b. No watering hour restrictions during the months of November, December, January, February, and March. Watering can occur between the hours of 6:00 a.m. and 6:00 p.m.

    c. ~~The District will allow an exemption from the watering schedule if an ET based controller is installed and operating. *The ET Controller Exemption Form* must be completed and the installation verified by a licensed landscape architect or PWD staff.~~

    d. Watering schedules must be adhered to at all times. The District requires advance written notice of any maintenance activities requiring water use between the hours of 6:00 a.m. and 6:00 p.m.

13. The use of water from fire hydrants shall be limited to fire fighting and related activities and other uses of water for municipal purposes shall be limited to activities necessary to maintain the public health, safety, and welfare. Ongoing water system improvement projects are also exempt

under this section and may continue to use construction meters in accordance with standard District policy.

Action 2: Mandatory Water Rationing: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased water rationing to protect the water supply of the District and to guarantee adequate supply for domestic use, sanitation, and fire protection as follows:

1. Stage 3: Water Rationing: An over thirty percent (30%) reduction in water deliveries to all District customers.

Action 3: Adoption of Drought Surcharge: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased drought surcharge to cover costs due to lost revenue during mandatory water cutbacks.

1. Stage 1: Drought Surcharge: A 45 cent surcharge on all non-essential usage tiers (Tiers 2-6). This will be effective on water use as of June 1, 2015.

Section 5: Duration of Water Emergency: The regulations, restrictions, and actions set forth herein shall take full force and effect immediately upon authorization by the Board of Directors and shall remain in full force and effect through February 28, 2016 or until otherwise directed by the SWRCB.

Section 6: Appeal: Decisions made by the District under the regulations set forth in this Resolution may be appealed by consumers in accordance with the procedure set forth in the District Rules and Regulations.

Section 7: Violation: A violation of the regulations and restrictions set forth herein will result in progressive warnings, fines, or result in the discontinuance of service to consumers willfully violating the conservation measures set forth herein or such other penalty or restriction as may be allowed by law. The Stage 3 fines under Water Shortage Emergency Plan (2010 UWMP) will be set as follows:

1. First violation will result in a documented warning.
2. Second violation will result in fine of $50.
3. Third violation will result in a fine of $500.
4. Fourth violation will result in discontinuance of service with a $1,000 water waste fine to reconnect service.

Section 8: Severability: If any portion of this Resolution is found to be unconstitutional or invalid, the District hereby declares that it would have enacted the remainder of this Resolution regardless of the absence of any such valid part.

Section 9: Effective Date: This Resolution shall take effect immediately.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on May 27, 2015.

_____
President, Board of Directors
Palmdale Water District

_____
Secretary, Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

_____
Aleshire & Wynder, LLP
District Legal Counsel

Executive Department

State of California

EXECUTIVE ORDER B-29-15

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and

WHEREAS on April 25, 2014, I proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and

WHEREAS California's water supplies continue to be severely depleted despite a limited amount of rain and snowfall this winter, with record low snowpack in the Sierra Nevada mountains, decreased water levels in most of California's reservoirs, reduced flows in the state's rivers and shrinking supplies in underground water basins; and

WHEREAS the severe drought conditions continue to present urgent challenges including: drinking water shortages in communities across the state, diminished water for agricultural production, degraded habitat for many fish and wildlife species, increased wildfire risk, and the threat of saltwater contamination to fresh water supplies in the Sacramento-San Joaquin Bay Delta; and

WHEREAS a distinct possibility exists that the current drought will stretch into a fifth straight year in 2016 and beyond; and

WHEREAS new expedited actions are needed to reduce the harmful impacts from water shortages and other impacts of the drought; and

WHEREAS the magnitude of the severe drought conditions continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage and drought conditions with which local authority is unable to cope; and

WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular Government Code sections 8567 and 8571 of the California Government Code, do hereby issue this Executive Order, effective immediately.

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my January 17, 2014 Proclamation, my April 25, 2014 Proclamation, and Executive Orders B-26-14 and B-28-14 remain in full force and effect except as modified herein.

SAVE WATER

2. The State Water Resources Control Board (Water Board) shall impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. These restrictions will require water suppliers to California's cities and towns to reduce usage as compared to the amount used in 2013. These restrictions should consider the relative per capita water usage of each water suppliers' service area, and require that those areas with high per capita use achieve proportionally greater reductions than those with low use. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.

3. The Department of Water Resources (the Department) shall lead a statewide initiative, in partnership with local agencies, to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. The Department shall provide funding to allow for lawn replacement programs in underserved communities, which will complement local programs already underway across the state.

4. The California Energy Commission, jointly with the Department and the Water Board, shall implement a time-limited statewide appliance rebate program to provide monetary incentives for the replacement of inefficient household devices.

5. The Water Board shall impose restrictions to require that commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water usage in an amount consistent with the reduction targets mandated by Directive 2 of this Executive Order.

6. The Water Board shall prohibit irrigation with potable water of ornamental turf on public street medians.

7. The Water Board shall prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.

8. The Water Board shall direct urban water suppliers to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees, and penalties, to maximize water conservation consistent with statewide water restrictions. The Water Board is directed to adopt emergency regulations, as it deems necessary, pursuant to Water Code section 1058.5 to implement this directive. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.

INCREASE ENFORCEMENT AGAINST WATER WASTE

9. The Water Board shall require urban water suppliers to provide monthly information on water usage, conservation, and enforcement on a permanent basis.

10. The Water Board shall require frequent reporting of water diversion and use by water right holders, conduct inspections to determine whether illegal diversions or wasteful and unreasonable use of water are occurring, and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. Pursuant to Government Code sections 8570 and 8627, the Water Board is granted authority to inspect property or diversion facilities to ascertain compliance with water rights laws and regulations where there is cause to believe such laws and regulations have been violated. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.

11. The Department shall update the State Model Water Efficient Landscape Ordinance through expedited regulation. This updated Ordinance shall increase water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and by limiting the portion of landscapes that can be covered in turf. It will also require reporting on the implementation and enforcement of local ordinances, with required reports due by December 31, 2015. The Department shall provide information on local compliance to the Water Board, which shall consider adopting regulations or taking appropriate enforcement actions to promote compliance. The Department shall provide technical assistance and give priority in grant funding to public agencies for actions necessary to comply with local ordinances.

12. Agricultural water suppliers that supply water to more than 25,000 acres shall include in their required 2015 Agricultural Water Management Plans a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. The Department shall require those plans to include quantification of water supplies and demands for 2013, 2014, and 2015 to the extent data is available. The Department will provide technical assistance to water suppliers in preparing the plans.

13. Agricultural water suppliers that supply water to 10,000 to 25,000 acres of irrigated lands shall develop Agricultural Water Management Plans and submit the plans to the Department by July 1, 2016. These plans shall include a detailed drought management plan and quantification of water supplies and demands in 2013, 2014, and 2015, to the extent that data is available. The Department shall give priority in grant funding to agricultural water suppliers that supply water to 10,000 to 25,000 acres of land for development and implementation of Agricultural Water Management Plans.

14. The Department shall report to Water Board on the status of the Agricultural Water Management Plan submittals within one month of receipt of those reports.

15. Local water agencies in high and medium priority groundwater basins shall immediately implement all requirements of the California Statewide Groundwater Elevation Monitoring Program pursuant to Water Code section 10933. The Department shall refer noncompliant local water agencies within high and medium priority groundwater basins to the Water Board by December 31, 2015, which shall consider adopting regulations or taking appropriate enforcement to promote compliance.

16. The California Energy Commission shall adopt emergency regulations establishing standards that improve the efficiency of water appliances, including toilets, urinals, and faucets available for sale and installation in new and existing buildings.

INVEST IN NEW TECHNOLOGIES

17. The California Energy Commission, jointly with the Department and the Water Board, shall implement a Water Energy Technology (WET) program to deploy innovative water management technologies for businesses, residents, industries, and agriculture. This program will achieve water and energy savings and greenhouse gas reductions by accelerating use of cutting-edge technologies such as renewable energy-powered desalination, integrated on-site reuse systems, water-use monitoring software, irrigation system timing and precision technology, and on-farm precision technology.

STREAMLINE GOVERNMENT RESPONSE

18. The Office of Emergency Services and the Department of Housing and Community Development shall work jointly with counties to provide temporary assistance for persons moving from housing units due to a lack of potable water who are served by a private well or water utility with less than 15 connections, and where all reasonable attempts to find a potable water source have been exhausted.

19. State permitting agencies shall prioritize review and approval of water infrastructure projects and programs that increase local water supplies, including water recycling facilities, reservoir improvement projects, surface water treatment plants, desalination plants, stormwater capture, and greywater systems. Agencies shall report to the Governor's Office on applications that have been pending for longer than 90 days.

20. The Department shall take actions required to plan and, if necessary, implement Emergency Drought Salinity Barriers in coordination and consultation with the Water Board and the Department of Fish and Wildlife at locations within the Sacramento - San Joaquin delta estuary. These barriers will be designed to conserve water for use later in the year to meet state and federal Endangered Species Act requirements, preserve to the extent possible water quality in the Delta, and retain water supply for essential human health and safety uses in 2015 and in the future.

21. The Water Board and the Department of Fish and Wildlife shall immediately consider any necessary regulatory approvals for the purpose of installation of the Emergency Drought Salinity Barriers.

22. The Department shall immediately consider voluntary crop idling water transfer and water exchange proposals of one year or less in duration that are initiated by local public agencies and approved in 2015 by the Department subject to the criteria set forth in Water Code section 1810.

23. The Water Board will prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages. As the Department of Public Health's drinking water program was transferred to the Water Board, any reference to the Department of Public Health in any prior Proclamation or Executive Order listed in Paragraph 1 is deemed to refer to the Water Board.

24. The California Department of Forestry and Fire Protection shall launch a public information campaign to educate the public on actions they can take to help to prevent wildfires including the proper treatment of dead and dying trees. Pursuant to Government Code section 8645, $1.2 million from the State Responsibility Area Fire Prevention Fund (Fund 3063) shall be allocated to the California Department of Forestry and Fire Protection to carry out this directive.

25. The Energy Commission shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation. Title 20, section 1769 of the California Code of Regulations is hereby waived for any such petition, and the Energy Commission is authorized to create and implement an alternative process to consider such petitions. This process may delegate amendment approval authority, as appropriate, to the Energy Commission Executive Director. The Energy Commission shall give timely notice to all relevant local, regional, and state agencies of any petition subject to this directive, and shall post on its website any such petition.

26. For purposes of carrying out directives 2–9, 11, 16–17, 20–23, and 25, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension applies to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions. This suspension, and those specified in paragraph 9 of the January 17, 2014 Proclamation, paragraph 19 of the April 25, 2014 proclamation, and paragraph 4 of Executive Order B-26-14, shall remain in effect until May 31, 2016. Drought relief actions taken pursuant to these paragraphs that are started prior to May 31, 2016, but not completed, shall not be subject to Division 13 (commencing with section 21000) of the Public Resources Code for the time required to complete them.

27. For purposes of carrying out directives 20 and 21, section 13247 and Chapter 3 of Part 3 (commencing with section 85225) of the Water Code are suspended.

28. For actions called for in this proclamation in directive 20, the Department shall exercise any authority vested in the Central Valley Flood Protection Board, as codified in Water Code section 8521, et seq., that is necessary to enable these urgent actions to be taken more quickly than otherwise possible. The Director of the Department of Water Resources is specifically authorized, on behalf of the State of California, to request that the Secretary of the Army, on the recommendation of the Chief of Engineers of the Army Corps of Engineers, grant any permission required pursuant to section 14 of the Rivers and Harbors Act of 1899 and codified in section 48 of title 33 of the United States Code.

29. The Department is directed to enter into agreements with landowners for the purposes of planning and installation of the Emergency Drought Barriers in 2015 to the extent necessary to accommodate access to barrier locations, land-side and water-side construction, and materials staging in proximity to barrier locations. Where the Department is unable to reach an agreement with landowners, the Department may exercise the full authority of Government Code section 8572.

30. For purposes of this Executive Order, chapter 3.5 (commencing with section 11340) of part 1 of division 3 of the Government Code and chapter 5 (commencing with section 25400) of division 15 of the Public Resources Code are suspended for the development and adoption of regulations or guidelines needed to carry out the provisions in this Order. Any entity issuing regulations or guidelines pursuant to this directive shall conduct a public meeting on the regulations and guidelines prior to adopting them.

31. In order to ensure that equipment and services necessary for drought response can be procured quickly, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, are hereby suspended for directives 17, 20, and 24. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 1st day of April 2015.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2015-0032

TO ADOPT AN EMERGENCY REGULATION FOR
STATEWIDE URBAN WATER CONSERVATION

WHEREAS:

1. On April 25, 2014, Governor Edmund G. Brown Jr. issued an executive order (April 2014 Proclamation) to strengthen the State's ability to manage water and habitat effectively in drought conditions, and called on all Californians to redouble their efforts to conserve water. The April 2014 Proclamation finds that the continuous severe drought conditions present urgent challenges across the State, including water shortages in communities and for agricultural production, increased wildfires, degraded habitat for fish and wildlife, threat of saltwater contamination, and additional water scarcity, if drought conditions continue into 2015. The April 2014 Proclamation also suspends the environmental review required by the California Environmental Quality Act to allow the emergency regulation and other actions to take place as quickly as possible;

2. The April 2014 Proclamation refers to the Governor's Proclamation No. 1-17-2014, issued on January 17, 2014, declaring a drought State of Emergency to exist in California due to severe drought conditions (January 2014 Proclamation). The January 2014 Proclamation finds that dry conditions and lack of precipitation present urgent problems to drinking water supplies and cultivation of crops, which put farmers' long-term investments at risk. The conditions also threaten the survival of animals and plants that rely on California's rivers, including many species in danger of extinction. The January 2014 Proclamation also calls on all Californians to reduce their water usage by 20 percent;

3. On December 22, 2014, in light of the continued lack of rain, Governor Brown issued Executive Order B-28-14, which extends the California Environmental Quality Act suspension through May 31, 2016 for Water Code section 13247 and certain activities identified in the January 2014 and April 2014 proclamations;

4. On April 1, 2015, Governor Brown issued a new Executive Order that directs the State Water Board to impose restrictions on urban water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems; along with other directives;

5. Water Code section 1058.5 grants the State Water Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter's priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports";

6. On July 15, 2014, the State Water Board adopted an emergency regulation to support water conservation (Resolution No. 2014-0038), and that regulation became effective July 28, 2014 upon approval by the Office of Administrative Law (OAL);

7. On March 17, 2015, the State Water Board amended and readopted the emergency regulation to support water conservation (Resolution No. 2015-0013), which became effective March 27, 2015 upon approval by OAL;

8. The current emergency regulation has supported Californians' water conservation efforts, with over 125 billion gallons saved from August 2014 through March 2015; however, statewide water use is only nine percent less than the same months in 2013. Achieving a 25 percent reduction in use will require even greater conservation efforts across the state. In particular, many communities must dramatically reduce their outdoor water use;

9. In many areas, 50 percent or more of daily water use is for lawns and outdoor landscaping. Outdoor water use is generally discretionary, and many irrigated landscapes will survive while receiving a decreased amount of water;

10. Although urban water suppliers have placed restrictions on outdoor watering, the State Water Board continues to receive reports of excessive outdoor water use;

11. Water conservation is the easiest, most efficient and most cost-effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all California communities. Water saved this summer is water available later in the season or next year, reducing the likelihood of even more severe water shortages should the drought continue;

12. Education and enforcement against water waste is a key tool in conservation programs. When conservation becomes a social norm in a community, the need for enforcement is reduced or eliminated;

13. Public information and awareness is critical to achieving conservation goals, and the Save Our Water campaign, run jointly by the Department of Water Resources (DWR) and the Association of California Water Agencies, is an excellent resource for conservation information and messaging that is integral to effective drought response (http://saveourwater.com);

14. Many California communities are facing social and economic hardship due to this drought. The rest of us can make adjustments to our water use, including landscape choices that conserve even more water;

15. The California Constitution declares, at article X, section 2, that the water resources of the state must be put to beneficial use in a manner that is reasonable and not wasteful. Relevant to the current drought conditions, the California Supreme Court has clarified that "what may be a reasonable beneficial use, where water is present in excess of all needs, would not be a reasonable beneficial use in an area of great scarcity and great need. What is a beneficial use at one time may, because of changed conditions, become a waste of water at a later time." (*Tulare Dist. v. Lindsay Strathmore Dist.* (1935) 3 Cal.2d 489, 567.) In support of water conservation, the legislature has, through Water Code section 1011, deemed reductions in water use due to conservation as equivalent

to reasonable beneficial use of that water. Accordingly, this regulation is in furtherance of article X, section 2 during this drought emergency. This temporary emergency regulation is not to be used in any future administrative or judicial proceedings as evidence or finding of waste and unreasonable use of any individual water user or water supplier subject to this regulation, and are not to affect or otherwise limit any rights to water conserved under applicable law, including without limitation, water conserved consistent with Water Code section 1011;

16. Directive two of the Governor's April 1, 2015 Executive Order directs the State Water Board to consider the relative per capita usage of each urban water supplier's service area and require that areas with high per capita use achieve proportionally greater reductions than areas with low per capita use;

17. On April 7, 2015, the State Water Board issued a draft framework proposing increasing levels of required water reduction based upon residential per capita per day use (R-GPCD) for the proposed regulation, and solicited public comments. The Board received over 300 comments on the framework, primarily relating to the levels of required water reduction;

18. On April 18, the State Water Board issued draft regulatory language for public comment based on the April 7 framework and the comments received. The draft regulatory language reflected careful consideration of all comments including those directed at the levels of required reduction. Again, the Board received close to 300 comments;

19. On April 28, 2015, the State Water Board issued a final version of draft regulatory language for comment, followed on April 29 by a formal public notice that it would consider the adoption of the emergency regulation at the Board's regularly-scheduled May 5 and 6, 2015 public meeting, in accordance with applicable State laws and regulations. The State Water Board also distributed for public review and comment a Finding of Emergency that complies with State laws and regulations;

20. As discussed above, the State Water Board is adopting the emergency regulation because of the continuing emergency drought conditions, the need for prompt action to prevent the waste and unreasonable use of water and to promote conservation, and the specific actions called for in the Governor's April 1, 2015 Executive Order; and

21. Nothing in the regulation or in the enforcement provisions of the regulation precludes a local agency from exercising its authority to adopt more stringent conservation measures. Moreover, the Water Code does not impose a mandatory penalty for violations of the regulation adopted by this resolution, and local agencies retain the enforcement discretion in enforcing the regulation to the extent authorized. Local agencies are encouraged to develop their own progressive enforcement practices to promote conservation.

THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts California Code of Regulations, title 23, section 866 and re-adopts sections 863, 864,and 865, as appended to this resolution as an emergency regulation;

2. State Water Board staff will submit the regulation to OAL for final approval;

3. If, during the approval process, State Water Board staff, the State Water Board, or OAL determines that minor corrections to the language of the regulation or supporting documentation are needed for clarity or consistency, the State Water Board Executive Director or the Executive Director's designee may make such changes;

4. This regulation shall remain in effect for 270 days after filing with the Secretary of State unless the State Water Board determines that it is no longer necessary due to changed conditions, or unless the State Water Board renews the regulation due to continued drought conditions as described in Water Code section 1058.5;

5. The State Water Board directs staff to provide the Board with monthly updates on the implementation of the emergency regulation and its effect. These updates shall include information regarding the progress of the Building Standards Commission, Department of Housing and Community Development, and other state agencies in the adoption and implementation of emergency regulations or other requirements that implement increased outdoor irrigation efficiency for new construction. These regulations and other requirements will extend existing efficiency standards for new construction to the outdoor environment and ensure that California's new homes are constructed to meet the growing demand with the most efficient standards;

6. The State Water Board directs staff to condition funding upon compliance with the emergency regulation, to the extent feasible;

7. The State Water Board directs staff to work with DWR and the Save Our Water campaign to disseminate information regarding the emergency regulation; and

8. The State Water Board directs staff to update the electronic reporting portal to include data fields for the new reporting required by the emergency regulation.

THEREFORE BE IT FURTHER RESOLVED THAT:

9. The State Water Board shall work with DWR, the Public Utilities Commission, and other agencies to support urban water suppliers' actions to implement rates and pricing structures to incent additional conservation, as required by directive eight in the Governor's April 1, 2015 Executive Order. The Fourth District Court of Appeal's recent Decision in *Capistrano Taxpayer Association Inc. v. City of San Juan Capistrano* (G048969) does not foreclose the use of conservation-oriented rate structures;

10. The State Water Board calls upon water suppliers to:

    a. ensure that adequate personnel and financial resources exist to implement conservation requirements not only for 2015, but also for another year of drought should it occur. Water suppliers that face budget shortfalls due to reduced sales should take immediate steps to raise necessary revenues in a way that actively promotes continued conservation;

    b. expedite implementation of new conservation programs by minimizing internal review periods and utilizing emergency authorities, as appropriate;

c. consider the relative water use and conservation practices of their customers and target those with higher water use to achieve proportionally greater reductions than those with low use;

d. minimize financial impacts to low-income customers;

e. preserve safe indoor water supplies in areas with very low R-GPCD and where necessary to protect public health and safety;

f. promote low-water use methods of preserving appropriate defensible space in fire-prone areas, consistent with local fire district requirements;

g. educate customers on the preservation of trees;

h. promote on-site reuse of water; and

i. promptly notify staff of the supplier's need for an alternate method of compliance pursuant to resolved paragraph 16.

11. The State Water Board calls upon all businesses within California's travel and tourism sectors to inform visitors of California's dire drought situation and actions visitors should take to conserve water;

12. The State Water Board commends wholesale water agencies that have set aggressive conservation targets for their retail water suppliers;

13. The State Water Board commends water suppliers that have made investments to boost drought-resistant supplies, such as advanced treated recycled water and desalination. Those investments help to make communities more resilient in the face of drought;

14. The State Water Board commends the many water suppliers that have already surpassed their 20x2020 conservation targets. Long-term conservation efforts are critical to maintaining economic and social well-being, especially in light of the impacts of climate change on California's hydrology;

15. During this drought emergency, heightened conservation that extends urban resilience is necessary. The State Water Board's focus is primarily on immediate reductions in outdoor water use. Some short-term conservation efforts, such as landscape conversions and installation of efficient appliances, will also support long-term conservation objectives, and are encouraged wherever possible;

16. The State Water Board recognizes that some commercial and industrial customers, while accounting for a significant portion of total use in a service area, have already taken steps to significantly reduce their water consumption and cannot further reduce their use without substantial impacts. However, the Board also recognizes that in many areas there are significant opportunities for reductions in water use by industries and commercial enterprises that have yet to take action, especially those with large areas of non-functional turf. The Board directs staff to respond promptly upon receipt of any request for alternate enforceable methods of compliance. If the supplier believes the conservation standard is unachievable due to firm commercial and industrial water use

and residential use reductions that would affect public health and safety, it should provide any supporting information or documentation for an alternate method of compliance; and

17. Some water suppliers have called for further refinement of the tiers to reflect a range of factors that contribute to water use, including but not limited to temperature, lot size, and income. Others have called for an approach that provides greater recognition for early investments in conservation, the development of local, drought resistant water supplies, and health and safety needs. These suggestions and many others are important considerations in the development of a more comprehensive, and long term, conservation framework. The State Water Board directs staff to work with stakeholders on a thoughtful process to devise options for extended and expanded emergency regulations should the drought continue into 2016.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on May 5, 2015.

AYE:	Chair Felicia Marcus Vice Chair Frances Spivy-Weber Board Member Tam M. Doduc Board Member Steven Moore Board Member Dorene D'Adamo
NAY:	None
ABSENT:	None
ABSTAIN:	None

Jeanine Townsend

Jeanine Townsend
Clerk to the Board

ADOPTED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation.

Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(4) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;

(5) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and

(6) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.
References: Cal. Const., Art., X § 2; Sections 102, 104, 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks; and

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;

(7) The irrigation with potable water of ornamental turf on public street medians; and

(8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) Immediately upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 865, shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015 through February 2016 as compared to the amount used from those sources for the same months in 2013.

(d) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivisions (b) or (c), is an infraction, punishable by a fine of up to five hundred dollars ($500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

Authority: Section 1058.5, Water Code.
References: Cal. Const., Art., X § 2; Sections 102, 104, 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 865. Mandatory Actions by Water Suppliers.

(a) As used in this section:

(1) "Distributor of a public water supply" has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.

(2) "R-GPCD" means residential gallons per capita per day.

(3) "Total potable water production" means all potable water that enters into a water supplier's distribution system, excluding water placed into storage and not withdrawn for use during the reporting period, or water exported outsider the supplier's service area.

(4) "Urban water supplier" means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's April 1, 2015 Executive Order, each urban water supplier shall reduce its total potable water production by the percentage identified as its conservation standard in this subdivision. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region in which the water supplier is located, and that has a minimum of four years' reserved supply available may, submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required under paragraphs (3) through (10), the urban water supplier shall reduce its total potable water production by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier has a minimum of four years' reserved supply available.

(3) Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

(4) Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

(5) Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

(6) Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

(7) Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

(8) Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

(9) Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

(10) Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

(d)(1) Beginning June 1, 2015, each urban water supplier shall comply with the conservation standard specified in subdivision (c).

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); and

(D) Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.

(2) Submitting any information pursuant to subdivision (e)(1)(B) or (C) of this section that is found to be materially false by the board is a violation of this regulation, punishable by civil liability of up to five hundred dollars ($500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f)(1) To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply that is not an urban water supplier shall take one or more of the following actions:

(A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(B) Reduce by 25 percent reduction its total potable water production relative to the amount produced in 2013.

(2) Each distributor of a public water supply that is not an urban water supplier shall submit a report by December 15, 2015, on a form provided by the Board, that either confirms compliance with subdivision (f)(1)(A) or identifies total potable water production, by month, from June through November, 2015, and total potable water production, by month, for June through November 2013.

Authority: Section 1058.5, Water Code.
References: Cal. Const., Art., X § 2; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the board or an officer or employee of the board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the California Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to $500 per day for each day the violation continues pursuant to Water Code section 1846.

Authority: Section 1058.5, Water Code.
References: Cal. Const., Art., X § 2; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: May 20, 2015 **May 27, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Michael Williams, Finance Manager/CFO

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 9.2 - CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 15-10 AMENDING THE RULES AND REGULATIONS AS THEY RELATE TO NOTICE GIVEN TO DELINQUENT CONSUMERS AND ACTUAL USERS, INCLUDING AMENDMENT OF ARTICLE 8, SECTION 8.04 (G) TITLED "DELINQUENT BILLS" AND AMENDMENT OF ARTICLE 10, SECTION 10.02 TITLED "APPLICATION FOR SERVICE."***

Recommendation:

Staff and General Counsel recommend adopting Resolution No. 15-10, a Resolution of the Board of Directors of Palmdale Water District amending the Palmdale Water District Rules and Regulations as they relate to notice given to delinquent consumers and actual users, including amendment of Article 8, Section 8.04 (g) titled "delinquent bills" and amendment of Article 10, Section 10.02 titled "application for service."

Alternative Options:

The alternative is to not adopt and not amend the District's Rules and Regulations as they relate to notices given to delinquent customers and continue current process and not comply with AB 2747.

Impact of Taking No Action:

The impact of taking no action is to continue current process regarding delinquent noticing and not comply with AB 2747.

Background:

After a review and analysis of the disconnection notice requirements of AB2747, effective January 1, 2015, staff and General Counsel have developed a procedure to ensure compliance with the new laws. Therefore, staff and General Counsel recommends the following amendments to the District's procedures:

1) **Add 1st Mailed Notice** - Mail notice of delinquency on account (late charge assessment) and disconnection 15 days before the proposed disconnection of the account in six languages, and include the information required by Government Code 60371.3;

2) **Mail 1st Mailed Notice to Property** - Mail duplicate 1st Mailed Notice to service property (if service property is different than account holder's mailing address) also in six languages; and

3) **Add 2nd Mailed Notice** - Mail notice of disconnection to the service property 7 days before the proposed termination of the account, in lieu of personally delivering a 48-hour notice at the property.

The proposed procedure differs from the existing procedure primarily because the District does not currently mail notice of delinquency or disconnection at all. Instead, it personally delivers 48-hour door tags to the property, which results in a $20 charge for the customer. Therefore, the proposed procedure would result in reduced costs to the Customer and reduced staff time to the District.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 5, Exceptional Customer Service and Best Management Practices.

Budget:

This item has no effect on budget since costs associated are related to collection process.

Supporting Documents:

- Resolution 15-10 Amending the Rules and Regulations as They Relate to Notice Given to Delinquent Consumers and Actual Users, Including Amendment of Article 8, Section 8.04 (G) Titled "Delinquent Bills" and Amendment of Article 10, Section 10.02 Titled "Application for Service."

PALMDALE WATER DISTRICT
RESOLUTION NO. 15-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF PALMDALE WATER DISTRICT AMENDING THE PALMDALE WATER DISTRICT RULES AND REGULATIONS AS THEY RELATE TO NOTICE GIVEN TO DELINQUENT CONSUMERS AND ACTUAL USERS, INCLUDING AMENDMENT OF ARTICLE 8, SECTION 8.04 (G) TITLED "DELINQUENT BILLS" AND AMENDMENT OF ARTICLE 10, SECTION 10.02 TITLED "APPLICATION FOR SERVICE"

WHEREAS, District staff and the General Counsel have developed revisions to the Palmdale Water District Rules and Regulations in order to comply with District Utility Services Law, codified at Government Code §60370, et seq., and the requirements of the newly effective AB 2747;

WHEREAS, the District Utility Services Law requires the District mail a 10-day notice of disconnection of water services;

WHEREAS, the District Utility Services Law requires that the District "make every good faith effort to inform the actual users of the services" in advance of disconnection of water serves, when the account is delinquent on a multiunit residential structure, park, or farm labor camp, and more recently "single family dwellings" as a result of AB2747. (Gov. Code §60371(a).);

WHEREAS, the staff has presented evidence to the Board that the District does not have the ability or resources to ascertain the identify or specific unit addresses of all "actual users" of the District's water service in multiunit residential structure, park, or farm labor camp;

WHEREAS, the District obtains from customers the address for property managers and landowners of multiunit residential structure, park, or farm labor camp;

WHEREAS, by requiring consumers to provide a property manager's address when the consumer allows actual users other than the consumer to use water provided by the District, the District will ensure notice to the actual users through the property manager;

WHEREAS, AB 2747 added the requirement that a utility service district also provide the notice in six languages;

WHEREAS, the District Utility Services Law requires the District to make a reasonable, good faith effort to contact by mail or in person an adult at the premises prior to disconnecting water service, or mail notice when such telephonic or personal notice cannot be accomplished. (Gov. Code §60373(b).);

WHEREAS, staff has presented evidence that the District does not have the required staffing to attempt personal contact or phone calls to an adult at each residence. In order to achieve contact with an adult at each consumer's residence, the District will instead mail a second notice to each consumer's address seven days before disconnection to ensure 48-hour notice prior to disconnection of water service; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Palmdale Water District as follows:

Section 1: The above recitals are all true and correct and are hereby adopted as findings.

Section 2: Article 8, Section 8.08 (G) of the Palmdale Water District Rules and Regulations titled "Delinquent Bills" is hereby amended to read as follows:

G. Delinquent Bills: The following rules apply to Consumers whose bills remain unpaid after 25 days from the invoice date.

1. Small Balance Accounts. If any balance amounting to $10.00 or less remains unpaid, it shall be carried over and added to the next billing.

2. Delinquent Balances. If payment for a billing period is not made on or before the 25th day after the date of the invoice, a late charge will be assessed to the account as listed in Appendix D. The Consumer then has eight (8) days prior to issuance of a 48-Hour Mailed Disconnect Notice to settle the account. After receipt of the invoice and up to 2 days prior to the date set for disconnection, the Consumer may request an amortization payment plan pursuant to Article 8.04(J).

3. Turn-Off Deadline. Water service charges and late charges must be paid on or prior to 6:00 p.m. on the date specified on the 48-Hour Disconnect Notice.

4. First Written Mailed Notice of Disconnection. Upon assessment of a late charge on the account, no later than the 25th day after the date of the invoice and no less than 15 days before

the account is scheduled to be subject to disconnection, the District will mail notices to the Account Holder, *i.e.,* the person or entity responsible for the payment on the account, and to water users at the property address(es) served on the account (or to property managers, in the case of multi-unit properties), if that address is different from the Account Holder's mailing address, informing them of:

(1) The name and address of the Account Holder whose account is delinquent.

(2) The amount of the delinquency.

(3) The date by which payment or arrangements for payment pursuant to Section 8.04(J) is required in order to avoid termination.

(4) The procedure by which the Account Holder may initiate a complaint or request an investigation pursuant to Section 8.04(H) concerning service or charges, except that if the bill for service contains a description of that procedure, the notice is not required to contain that information.

(5) The procedure by which the customer may request amortization of the unpaid charges, pursuant to Section 8.04(J).

(6) The procedure for the Account Holder to obtain information on the availability of financial assistance, including the District's Rate Assistance Program, or any private, local, state, or federal sources, if applicable.

(7) The telephone number of a representative of the District who can provide additional information or institute arrangements for payment pursuant to Section 8.04(J).

(8) Notice to the "Water User" in English, Spanish, Chinese, Tagalog, Vietnamese and Korean as follows:

NOTICE TO ALL PROPERTY OWNERS, LANDOWNERS, AND PROPERTY MANAGERS THIS NOTICE OF TERMINATION MUST BE PROVIDED TO TENANTS/RESIDENTS

WATER SERVICE TO BE TURNED OFF IN 10 DAYS

Date of Mailing:
Date of TurnOff:
Service Property Address:

TO THE WATER USER:

Water service to this address is scheduled to be discontinued in 10 days for non-payment. To avoid the loss of water service, you must contact your landlord, property manager or property owner regarding payment of the water bill.

Please call a customer service representative at (XXX) XXX-XXXX to learn how to continue water service at your address; receive an estimated monthly cost of water service, and obtain the address of the local office where you can speak to a customer care representative in person.

5. **Second Written Mailed Disconnection Notice**. At least seven days prior to actual disconnection, the District shall mail a

second notice to the account holder to ensure the Consumer receives notice at least 48 hours before disconnection. This second mailed notice shall include:

(1) The Account Holder's name and address

(2) The amount of delinquency

(3) The date by which payment must be made or arrangements for payment pursuant to Section 8.04(J) is required in order to avoid termination.

(4) The procedure for the Account Holder to obtain information on the availability of financial assistance, including private, local state, or federal sources if applicable.

(5) The telephone number of the District representative who can provide additional information or institute arrangements for payment pursuant to Section 8.04(J).

6. **Waiver of Second Mailed Notice to Public Agencies**. Because of usual sound financial base and variations in warrant payment procedures, public agencies will not be sent a 48-Hour Delinquent Notice for delinquent payment of current accounts.

7. **Notification of Rejected Payment Disposition**. Upon receipt of a rejected payment taken as remittance of water service or other charges, the District will consider the account not paid. The District will make a reasonable, good-faith effort to notify the Consumer of the rejected payment. Water service will be disconnected if the amount of the rejected payment, the rejected payment charge, and a deposit if required, are not paid within 48

hours of the date of notice. All amounts paid must be cash or certified funds.

In the event a consumer's payment is rejected for any reason and the rejected payment was tendered for water service disconnected for non-payment, and as a result the District restores the service, the District may again promptly disconnect service without providing further notice. No additional notices will be given in the case of a rejected payment tendered for payment of water charges that were subject to discontinuance.

8. **Rejected Payment-Issued to Restore Service**. Any Consumer whose payment is rejected for any reason and the payment was submitted to restore service turned off for non-payment, will be required to pay, for one year, cash or certified funds to have service restored if turned off again within this time period for non-payment.

Section 3: Article 10, Section 10.02 of the Palmdale Water District Rules and Regulations titled "Application For Service" is hereby amended to read as follows:

10.02: APPLICATION FOR SERVICE

Each applicant is required to contact the District office to apply for service. In most cases, this must be the Owner of the property. Residential/Multi-Family, Commercial/Industrial/Irrigation, and Realtor Applications are attached hereto as Appendix S. The District may request the following information, depending upon the type of service, either in application form or verbally by a customer service representative:

A. Contents:

1. Date applicant obtained ownership of property/requested date of activation.

2. Location and address of premises to be served, including the mailing address of a property manager of any multiunit residential structure, mobilehome park, or farm labor camp where the owner, manager or employer is the customer of record.

3. Applicant's Information.

4. Contact Information, including mobile telephone number, if the Consumer approves such method of communication from the District.

5. Agreement to assume any outstanding water charges for property where service is requested.

6. Agreement to abide by District Rules and Regulations.

7. Such other information and/or supporting documents as the District may reasonably require.

B. **Purpose:** The application is merely a written/verbal request for service and does not bind the applicant to take service for a period of time longer than that upon which the minimum charge is based; neither does it bind the District to serve, except under reasonable conditions and upon the approval of the Manager.

Section 3: Severability. If any section, subsection, paragraph, sentence, clause or phrase of this resolution is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this resolution, it being expressly declared that this resolution and each section, subsection, paragraph, sentence, clause and phrase thereof would have been adopted, irrespective of the fact that one or more other section, subsection, paragraph, sentence, clause or phrase be declared invalid or unconstitutional.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on May 27, 2015.

Kathy Mac Laren, President
Palmdale Water District

Joe Estes, Secretary
Palmdale Water District

Approved As To Form:

Patty Quilizapa
General Counsel

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: May 20, 2015 **May 27, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 9.3 – CONSIDERATION AND POSSIBLE ACTION ON RESCHEDULING SECOND REGULAR BOARD MEETING IN JUNE.***

Recommendation:

Staff recommends the Board reschedule the second Regular Board Meeting in June.

Background:

The second Regular Board Meeting is scheduled for June 24, 2015. A quorum of the Board will not be present at this meeting as four Directors are scheduled to attend the Water Education Foundation's Bay-Delta Tour in Sacramento.

Strategic Plan Initiative:

This work is part of Strategic Initiative No. 2 – Increased Efficiency.

Budget:

Rescheduling the second Regular Board Meeting will not impact the Budget.

Supporting Documents:

None.

AGENDA ITEM NO. 9.4

P A L M D A L E W A T E R D I S T R I C T

B O A R D M E M O R A N D U M

DATE: May 20, 2015 **May 27, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 9.4 – DISCUSSION OF STATUS OF THE TOTAL REALLOCATION OF RECYCLED WATER TO SUPPLY THE PALMDALE RECYCLED WATER AUTHORITY.***

A copy of the Joint Exercise of Powers Agreement and amendments are attached for your reference on this item. The Palmdale Recycled Water Authority Board of Directors considered a similar agenda item at their May 20, 2015 meeting, and staff will provide a report on this meeting at the Board Meeting.

Supporting Documents:

- Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority dated September 26, 2012
- First Amendment to the Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority dated March 6, 2013
- Second Amendment to the Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority dated October 2, 2013

JOINT EXERCISE OF POWERS AGREEMENT CREATING THE PALMDALE RECYCLED WATER AUTHORITY

This Agreement is made this 26th day of Sept., 2012, by and between the City of Palmdale, a California Charter City ("City") and Palmdale Water District, an Irrigation District under Division 11 of the California Water Code ("PWD").

RECITALS

WHEREAS, the Joint Exercise of Powers Act, codified at California Government Code sections 6500 *et seq.*, authorizes public agencies by agreement to exercise jointly any power common to the contracting parties;

WHEREAS, the City and PWD are each "public agencies" as that term is defined in California Government Code section 6500;

WHEREAS, the City and PWD have each determined that it is in the public interest to create the Palmdale Recycled Water Authority, an entity separate from the City and PWD to, among other things, jointly study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Los Angeles County Sanitation District Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities and irrigation systems;

WHEREAS, the City and PWD have entered into a Settlement Agreement dated September 6, 2012, that calls for the creation of the Authority. Under the Settlement Agreement, the City and PWD agreed to use their best efforts to accomplish a reallocation of the recycled water supply produced by County Sanitation Districts Nos. 14 and 20 such that the effluent generated within the City of Palmdale that is tributary to the Palmdale Treatment Plant (Sanitation District No. 20) and to the Lancaster Treatment Plant (Sanitation District No. 14), less that previously allocated for environmental projects by both Sanitation Districts Nos. 14 and 20 and 4,000 acre-feet for the Palmdale Power Plant, is available to the Authority for purchase.

NOW, therefore, in consideration of the mutual promises, covenants and conditions hereinafter contained, the members and each of them do hereby agree as follows:

Article 1 Definitions

1.1 Definitions. As used herein, the following terms have the meaning ascribed thereto, unless the context requires otherwise.

"Act" means the Joint Exercise of Powers Act, codified at California Government Code sections 6500 *et seq.*

"Agreement" means this Joint Powers Agreement.

"Authority" means the Palmdale Recycled Water Authority.

"Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Board of Directors, which is the governing body of the Authority.

"Bonds" means bonds, notes, commercial paper, floating rate, and variable maturity securities, and any other evidences of indebtedness and also includes certificates of participation, lease-purchase agreements or loan agreements.

"Sanitation Districts" means the Los Angeles County Sanitation Districts Nos. 14 and 20.

"Director" means a member of the Board of Directors.

"Effective Date" means the date on which this Agreement shall become effective and the Authority shall exist as a separate public agency.

"Members" means the City and PWD.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Public Agency" means those public entities set forth in Section 6500 of the Act.

"Public Capital Improvements" mean one or more projects specified in Section 6546 of the Act.

"Waterworks" means the Los Angeles County Waterworks District No. 40.

"Working Capital" means money to be used by, or on behalf of, a Member for any purpose for which a Member may borrow money pursuant to California Government Code Section 53852.

Article 2 Formation and Purpose

2.1 Effective Date and Term. This Agreement shall become effective and the Authority will come into existence as a separate public agency on the date this Agreement is executed by the City and PWD. The Authority will continue to exist and this Agreement will remain in effect, until this Agreement is terminated pursuant to Article 8.

2.2 Formation. There is formed as of the Effective Date a public agency named the "Palmdale Recycled Water Authority." Pursuant to Sections 6506 and 6507 of the Act, the Authority is an independent public agency separate from the Members. Unless otherwise agreed by the Members, the debts, liabilities, and obligations of the Authority are not debts, liabilities or obligations of the Members.

2.3 Purpose. The purpose of the Agreement is to establish an independent public agency in order to study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Sanitation Districts for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities and irrigation systems.

2.4 Boundary. The boundary of the Authority shall be the jurisdictional boundary of PWD, and shall encompass that portion of the City within the jurisdictional boundary of PWD.

Article 3 Powers

3.1 General Powers. The Authority shall have the powers common to the Members and such additional powers set forth in the Act and other statutes applicable to the Authority, and is hereby authorized to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to each of the following:

a. Distributing recycled water for reasonable and beneficial uses, including irrigation and recharge;

b. Charging fees for recycled water;

c. Making and entering into contracts;

d. Employing employees, agents, consultants, legal counsel and other experts;

e. Conducting studies, including but not limited to environmental studies;

f. Promoting or advertising the services provided by the Authority;

g. Promoting legislation helpful to the goals of the Authority;

h. Applying for, receiving and complying with requirements for state or federal grants;

i. Acquiring, owning, holding title to, constructing, managing, maintaining, operating, disposing of or donating real or personal property or other assets;

j. Incurring debts, liabilities or obligations and issuing Bonds;

k. Adopting, levying, collecting and/or administering assessments to the extent allowed by law, or assisting the Members to do so;

l. Suing and being sued in its own name, including initiating or otherwise participating in proceedings to validate its actions;

m. Applying for and executing appropriate grants or contracts of financial assistance.

n. Applying for, negotiating and obtaining commercial loans as allowed by law;

o. Administering the funds of the Members for the purposes set out here subject to rules adopted by the Authority for such administration;

p. Coordinating programs provided by the Members to carry out the goals of the Authority;

q. Adopting budgets;

r. Adopting rules, regulations, policies, bylaws and procedures governing the operation of the Authority;

s. Accepting donations;

t. Carrying out and enforcing all provisions of this Agreement and any related agreements.

u. Imposing impact or development fees, including, but not limited to, fees under the Mitigation Fee Act (Government Code sections 66000 *et seq.*)

Article 4 Organization

4.1 Board of Directors. The governing body of the Authority shall be the Board, which shall consist of five Directors. The governing body of each Member shall appoint and designate in writing two Directors who shall be authorized to act for and on behalf of the Member on matters within the powers of the Authority. The person appointed and designated as Director shall be a member of the Member's governing body. The fifth Director shall be appointed jointly by both Members.

4.2 Powers of the Board. The Board shall conduct or authorize to be conducted all business and activities of the Authority consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law.

4.3 Operating Rules and Regulations. The Board may adopt from time to time such Operating Rules and Regulations, including but not limited to policies, procedures, bylaws, rules or regulations, for the conduct of its affairs as deemed necessary by the Board.

4.4 Term of Office. Each Director who is a member of the Member's governing body shall serve on the Board for renewable one year terms and shall cease to serve on the Board if such Director ceases to be an elected official of the Member. Vacancies on the Board shall be filled in the same manner as the original appointment. Notwithstanding anything in this Section to the contrary, each Director shall serve at the pleasure of the

Member that the Director is representing and such Member may remove and replace the Director at any time.

4.5 Meetings of the Authority. Meetings of the Authority shall be governed by the Ralph M. Brown Act (Govt. Code Section 54950 *et seq*, the "Brown Act"). At its organizational meeting, the Authority shall adopt provide for its regular meetings at dates, times and places set out by resolution. That Resolution shall be provided to all Members. The Board shall hold at least one regular meeting during each fiscal year. Pursuant to the Brown Act, the Secretary of the Authority shall cause minutes to be prepared for all regular and special meetings (but not any closed sessions) and copies of such minutes shall be provided to the Directors as soon as possible.

4.6 Conflict of Interest Code. The Authority shall adopt a conflict of interest code.

4.7 Quorum. A majority of the Directors shall constitute a quorum.

4.8 Voting. Except as otherwise provided by law or in section 4.9 below, any action taken by the Authority shall require the affirmative vote of a majority of the quorum present and voting on the item. A Director who has announced a conflict of interest is not considered a part of the quorum. An abstention for other than conflict reasons shall be considered a no vote. Notwithstanding anything in this paragraph to the contrary, less than a quorum may adjourn from time to time in accordance with law.

4.9 Special Voting Situations. The following Board actions require the affirmative vote of at least one Director from the City and one from the PWD:

a. Agreements to provide recycled water to any person or entity other than the City or PWD.

b. Capital expenditures exceeding $100,000.

c. Adoption or modification of any combined recycled water master plan.

d. Settlement of lawsuits over $10,000.

e. Adoption of its initial and all annual operating budgets.

f. Setting recycled water rates.

g. Disposition of assets and funds upon termination, pursuant to section 5.8(d).

4.10 Chair and Vice Chair. The Board shall elect from among themselves a Chair and Vice Chair. The Chair shall be the presiding officer of all Board meetings and shall represent the Authority and execute any contracts and other documents when required by the Operating Rules and Regulations. The Vice Chair shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair.

The office of either the Chair or Vice Chair shall be declared vacant and a new election shall be made if the person serving dies, resigns, or the Member that the person represents removes the person as its representative on the Board.

4.11 Director Compensation. Compensation for work performed by Directors on behalf of the Authority shall be borne by the Member that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors. Members may provide for compensation and/or reimbursement of expenses to the fifth director, as allowed by law.

4.12 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes and other records of the Authority and shall perform such other duties as specified by the Board.

4.13 Treasurer and Auditor. The Authority shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and Auditor.

A qualified person shall be (i) the treasurer or chief financial officer of one of the Members; (ii) a certified public accountant; or (iii) such other consultant, officer or employee of the Authority or an administrative services provider as the Authority deems qualified to act as Treasurer or Auditor, respectively. The Treasurer shall act as the depositary of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act.

The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

4.14 Staff. The Authority may appoint, by contract or otherwise, an Executive Director and other staff as necessary. The Executive Director shall have all powers delegated to the Executive Director by the Authority. In addition the Executive Director shall have the power to appoint and remove all employees of the Authority, except for the Auditor, Treasurer and those providing expert services, such as legal counsel, financing consultants, accountants, engineers, architects and other advisors, who shall be appointed by the Board.

4.15 Bonding Persons Having Access to Property. The Members hereby designate the Executive Director and Treasurer, and designee or designees of each of them, as the persons who shall have charge of, handle, or have access to any property of the Authority. Such persons shall file an official bond in an amount to be fixed by the Board.

4.16 Provision of Administrative Services Provider. The Board may approve the use of staff of the Members for purposes of planning, implementing, operating and administering any of the programs approved by the Board.

4.17 Committees. The Authority may appoint *ad hoc* and standing committees to carry out the business of the Board, as deemed necessary and in the manner determined by the Board.

4.18 Technical Advisory Committee. The Board may elect to form a Technical Advisory Committee that will provide assistance and advice to the Board and exercise any powers delegated to it by the Board. The Technical Advisory Committee shall be comprised of three representatives appointed by each Member. The Member's governing body may appoint its representatives to the Technical Advisory Committee, and one alternate representative, in the manner determined to be appropriate by the Member. Such representative or alternate may be any person resident within the jurisdictional boundaries of the Member, or a person possessing knowledge and interests in California water policy.

The Technical Advisory Committee will be subject to the Operating Rules and Regulations established by the Board.

4.19 Authority Documents. The Members acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Members agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board.

4.20 Authority Legal Counsel. The Board may retain and appoint legal counsel for the Authority.

Article 5 Financial Provisions

5.1 Fiscal Year. The Authority's fiscal year shall begin January 1 and shall include the period from then through December 31st. The first year of operation of the Authority shall be a partial year of operation.

5.2 Member Contributions. Except as otherwise prohibited, any Member may make contributions of money or assets to the Authority; make or advance payments of public funds to defray the cost of Authority operation; and contribute personnel, equipment or property instead of or in addition to other contributions or advances. Such contributions shall be paid to and disbursed by the Authority as set out in separate agreements between the Authority and the Member and approved by the Board and the governing body of the Member.

It is hereby acknowledged that the City, at the time of Authority's formation, has contributed the recycled water infrastructure installed to date known as Phase I which provides recycled water to McAdam Park, Palmdale, CA.

5.3 Member Loans. By official action of a Member's governing body, any Member may loan or advance funds to the Authority to meet the Authority's necessary budgeted expenses. Such loans shall bear interest until repaid at a rate agreed upon by the Member and the Authority. All such loans shall be repaid with interest from legally available funds of the Authority. It is anticipated that such funding may continue for an extended period of time. Nothing in this Agreement shall be deemed to obligate or require any of the Members to loan money, advance funds or provide property, assets, staffing or in lieu services to the Authority.

5.4 Depository.

a. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Member or any other person or entity.

b. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the Fiscal Year. The books and records of the Authority shall be open to inspection by the Members at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

c. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

5.5 Budget. The Board shall adopt an annual budget for the Authority's activities within ninety (90) days of the effective date of this Agreement and by January 1 of each succeeding year. The Board may revise the budget from time to time as may be necessary to address changed circumstances, contingencies and unexpected expenses.

Public funds may not be disbursed by the Authority without adoption of the approved budget and all receipts and disbursements shall be in strict accordance with the approved budget. The budget shall identify the programs of the Authority and allocate funds by the program. The budget and accounting system shall account for direct and overhead costs by program. The Board shall allocate these costs for each program with the adoption of the annual budget.

5.6 Debts and Liabilities. As permitted under Section 6508.1 of the Act, no debt, liability, or obligation of the Authority shall constitute a debt, liability, or obligation of any Member and each Member's obligation hereunder is expressly limited only to the appropriation

and contribution of such funds as may be levied pursuant to this Agreement or as the Members hereto may agree.

5.7 Credit. Notwithstanding the preceding section, the Members agree to pledge their credit as necessary or appropriate to obtain financing for the Authority.

5.8 Disposition of Authority Property, Funds and Other Assets Upon Termination.

a. In the event of termination of the Authority where there is a successor public entity which will carry on the activities of the Authority and assume its obligations, Authority property, funds, and other assets, including any interest earned in deposits, remaining upon termination of the Authority and after payment of all obligations, shall be transferred to the successor public entity.

b. If there is no successor public entity which would carry on any of the activities of the Authority or assume any of its obligations, Authority property, funds, and other assets,, including any interest earned on deposits, remaining upon termination of the Authority and after payment of all obligations, shall first be used to return any unreimbursed contribution of each Member, and the remainder shall be divided equally between the Members.

c. If there is a successor public agency which would undertake some of the functions of the Authority and assume some of its obligations, Authority property, funds, and other assets, including any interest earned on deposits, remaining upon termination of the Authority and after payment of all obligations, shall be allocated by the Board between the successor public entity and Members.

d. In the event the Authority is terminated and remaining funds must be allocated under the circumstances falling with (b) or (c) above, all decisions of the Board with regard to determination of amounts to be transferred to Members or any successor shall be final.

Article 6 Operations

6.1 Recycled Water Contract. Within 65 days after the execution of this Agreement, the City shall assign to the Authority its existing contract with Los Angeles County Sanitation Districts Nos. 14 and 20 to purchase up to 2,000 acre-feet of recycled water, dated July 1, 2009. This shall not be considered to be a Member contribution under section 5.2.

6.2 Master Plan. The Authority shall adopt a master plan for recycled water combining the City's and PWD's existing master plans, following environmental review.

6.3 Price of Recycled Water. The price of recycled water sold to the City or PWD shall be set to cover the purchase price of the recycled water, operation and maintenance costs of the Authority, and financing costs.

6.4 Impact Fee. The Authority shall adopt an impact fee in order to pay capital costs, including reimbursement to the City of the cost of the recycled water infrastructure installed to date known as Phase I, which provides recycled water to McAdam Park.

Article 7 Amendments

7.1 Amendments. This Agreement may be amended only upon the affirmative vote of both Members.

Article 8 Termination

8.1 Termination. This Agreement may be terminated by the mutual agreement of both Members at any time, or by one Member after the tenth anniversary of the execution of this Agreement; provided, however, that prior to any termination by one Member, the Members agree to engage in the dispute resolution procedure under section 9.10, and such termination shall not be effective until six months after the completion of that procedure. Upon termination, payment of the obligations and division of the property of the Authority shall be conducted pursuant to this Agreement.

Article 9 Miscellaneous Provisions

9.1 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 *et seq*. Nothing in this section shall be construed to limit the defenses available under the law, to the Members, the Authority, or its Directors, officers, or employees.

9.2 Indemnification of Members. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Members and the public. The Authority shall defend, indemnify and hold harmless the Members and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

9.3 Severability. If one or more clauses, sentences, paragraphs, or provisions of this Agreement or its application to any person or circumstances shall be held invalid, unlawful or unenforceable, the remainder of this Agreement and the application of the provision to other persons or circumstances shall not be affected thereby. Such clauses, sentences, paragraphs or provisions shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

9.4 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the advance written consent of all of the other Members, and any attempt to assign or delegate such rights or duties in contravention of this Section is null and void. This Agreement inures to the benefit of, and be binding upon, the successors and assigns of the Members.

9.5 No Rights In Third Parties. All of the terms, conditions, rights and duties provided for in this Agreement are, and will always be, solely for the benefit of the Members. It is the intent of the Members that no third party shall ever be the intended beneficiary of any performance, duty or right created or required pursuant to the terms and conditions of this Agreement.

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

9.7 Further Assurances. Each Member agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

9.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Members, each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

9.9 Members to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Member, as the case may be, or such other person designated in writing by the Authority or Member. Notices given to one Member shall be copied to all other Members. Notices given to the Authority shall be copied to all Members.

9.10 Dispute Resolution. Representatives of the Members shall meet and use their best efforts to settle any dispute, claim, question or disagreement ("a Dispute") arising from or relating to this Agreement or to the interpretation of this Agreement. To that end, representatives of the Parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties. If the Parties do not reach such a solution within a period of thirty (30) days after the first meeting regarding a Dispute, then the Parties shall convene a meeting of the Board within sixty (60) days after the first meeting of the Party

representatives regarding a Dispute and attempt to settle the Dispute before the Board meeting. If the Parties do not settle the Dispute within five (5) calendar days after the Board meeting, the Parties shall submit to mediation of the Dispute to be held within thirty (30) days of the request for mediation. If mediation is not successful, any Party may pursue any and all legal and equitable remedies that may be available. Any Party with a Dispute over the amount of money to be paid to the Authority or a Party shall first pay the disputed amount to the Authority or other Party under protest before commencing dispute resolution under this section.

9.11 Governing Law. This Agreement is to be governed by and construed according to the laws of California.

IN WITNESS WHEREOF, the Members hereto have caused this Agreement to be executed by their proper officers thereunder duly authorized and effective as of the date of execution of all Members hereto.

CITY OF PALMDALE

James C. Ledford, Jr.
Mayor

APPROVED AS TO FORM:

Wm. Matthew Ditzhazy
City Attorney

ATTEST:

Rebecca Smith
City Clerk

PALMDALE WATER DISTRICT

Gordon Dexter
President

APPROVED AS TO FORM:

FIRST AMENDMENT TO THE
JOINT EXERCISE OF POWERS AGREEMENT CREATING THE PALMDALE RECYCLED WATER AUTHORITY
DATED SEPTEMBER 26, 2012 (CITY AGREEMENT NO. A-4113)

Dated March 6, 2013

This First Amendment to the "Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" dated September 26, 2012 (hereinafter "Agreement") is made and entered into this 6 day of March 2012, by and between the City of Palmdale, State of California, a California Charter City (hereinafter "City") and the Palmdale Water District, an Irrigation District under Division 11 of the California Water Code (hereinafter "District").

WITNESSETH:

WHEREAS, pursuant to Section 1.1, "Definitions", of the Agreement, the District and the City are the constituent "Members" of the Palmdale Recycled Water Authority (hereinafter "PRWA" or "Authority"); and

WHEREAS, Section 7.1, "Amendments", of the Agreement states, "This Agreement may be amended only upon the affirmative vote of both Members."; and

WHEREAS, pursuant to the Agreement provides for a five-member Authority Board wherein each of the two Members appoint two members from their respective governing boards to serve on the Authority Board and jointly appoint the "Fifth Director", and

WHEREAS, it is the desire of the City and the District as Members of the Authority to amend the Agreement to clarify the conditions under which the Fifth Director may be removed from the Authority Board.

NOW THEREFORE, the City and the District agree as follows:

SECTION 1. Article 4 "Organization", sub-section 4.4 of the Agreement, is amended to add the following paragraph to read as follows:

"*The fifth Director shall serve for renewable one-year terms at the pleasure of both Members. In the case of removal of the fifth Director before the expiration of his or her term, both Members would be required to adopt resolutions for removing said director. Cause for removal need not be stated in the resolutions as the fifth Director serves at the joint pleasure of both Members.*"

SECTION 2. EFFECTIVE DATE. This First Amendment to the Agreement shall become effective when approved by the City Council of the City of Palmdale and the Palmdale Water District Board of Directors and is duly signed by both of those parties.

IN WITNESS WHEREOF, each of the parties have caused this "Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" dated September 26, 2012," to be executed by their duly authorized representatives as signed below.

CITY OF PALMDALE

James C. Ledford, Jr.
Mayor

PALMDALE WATER DISTRICT

Kathryn Mac Laren
President

APPROVED AS TO FORM:

Wm. Matthew Ditzhazy
City Attorney

APPROVED AS TO FORM:

Thomas S. Bunn, III
District Counsel

ATTEST:

Rebecca J. Smith
City Clerk

SECOND AMENDMENT TO THE
JOINT EXERCISE OF POWERS AGREEMENT CREATING THE PALMDALE RECYCLED WATER AUTHORITY
DATED SEPTEMBER 26, 2012 (CITY AGREEMENT NO. A-4113)

Dated October 2, 2013

This Second Amendment to the "Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" dated September 26, 2012 (hereinafter "Agreement") is made and entered into this 2nd day of October, 2013, by and between the City of Palmdale, State of California, a California Charter City (hereinafter "City") and the Palmdale Water District, an Irrigation District under Division 11 of the California Water Code (hereinafter "District").

WITNESSETH:

WHEREAS, pursuant to Section 1.1, "Definitions", of the Agreement, the District and the City are the constituent "Members" of the Palmdale Recycled Water Authority (hereinafter "PRWA" or "Authority"); and

WHEREAS, Section 7.1, "Amendments", of the Agreement states, "This Agreement may be amended only upon the affirmative vote of both Members."; and

WHEREAS, pursuant to the Agreement Section 4.19 "Authority Documents", the affairs of the Authority must be implemented through duly adopted resolutions approved by the Authority Board, and

WHEREAS, it is the desire of the City and the District as Members of the Authority to amend the Agreement to simplify the adoption of general and routine items of the Authority by eliminating the need for a formal resolution except in more extraordinary matters..

NOW THEREFORE, the City and the District agree as follows:

SECTION 1. Article 4 "Organization", sub-section 4.19 of the Agreement, is amended to add on the following paragraph as follows:

"All actions of the Authority Board pursuant to Section 4.9 "Special Voting Situations" shall be via written resolution formally adopted at a regular or adjourned regular meeting of the Authority. All other Authority Board matters may be adopted via motion and vote and so noted in the minutes."

SECTION 2. EFFECTIVE DATE. This Second Amendment to the Agreement shall become effective when approved by the City Council of the City of Palmdale and the Palmdale Water District Board of Directors and is duly signed by both of those parties.

IN WITNESS WHEREOF, each of the parties have caused this "2nd Amendment to the Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" dated September 26, 2012," to be executed by their duly authorized representatives as signed below.

CITY OF PALMDALE

James C. Ledford, Jr.
Mayor

PALMDALE WATER DISTRICT

Kathryn Mac Laren
President

APPROVED AS TO FORM:

Wm. Matthew Ditzhazy
City Attorney

APPROVED AS TO FORM:

James D. Ciampa
District Counsel

ATTEST:

Rebecca J. Smith
City Clerk

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, MARCH 23, 2015:

A meeting of the Finance Committee of the Palmdale Water District was held Monday, March 23, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) **Roll Call.**

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Matt Knudson, Assistant General Manager
Vincent Dino, Committee Member	Mike Williams, Finance Manager
	Dennis Hoffmeyer, Senior Accountant
	Bob Egan, Financial Advisor
	Dawn Deans, Executive Assistant
	0 members of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Action Items:**

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held February 9, 2015.

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Finance Committee meeting held February 9, 2015, as written.

4.2) Presentation, Consideration, and Possible Action on Acceptance and Filing of 2014 Audit and Management Report. (Financial Advisor Egan/Paul Kaymark, The Pun Group)

Finance Manager Williams distributed a revised version of the 2014 Audit and Management Report and then provided an overview of the Report including the net position, net results, decreasing patterns due to depreciation and the drought, and recovering costs through consistent rates and charges. He then stated that the District's overall financial position is good, and staff hopes to change the decreasing pattern in 2015.

Financial Advisor Egan then commended the timeliness of the Audit's completion, commended Senior Accountant Hoffmeyer and management staff for providing requested audit information, reviewed trends reported by Finance Manager Williams, and stated that rate increases are needed to prevent decreasing patterns followed by discussion of the importance of preventing decreasing patterns to protect the District's bond rating and the Board and staff's obligation to protect this rating for future bond issues.

Chair Dizmang then requested staff prepare a written summary of the audit and the steps needed to protect the District followed by discussion of the upcoming Fitch surveillance of the District's bond rating, concerns raised by the drought, adjustments needed for assessments, and tracking the Palmdale Recycled Water Authority in the Report. The Committee then concurred to present the 2014 Audit and Management Report to the full Board for consideration at the next Regular Board Meeting.

4.3) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of February, 2015. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds and cash flow reports as of February, 2015 and January, 2015 including increasing the term of the District's cds for a better rate, water sales, assessments, the projected year-end balance, and EPA grant funding followed by discussion of municipal bonds and the Committee's concurrence to extend the term of the District's cds in accordance with the District's Investment Policy.

4.4) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for February 28, 2015. (Finance Manager Williams)

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending February 28, 2015, along with

the graphic presentations for these reports, and then stated that departments are operating below the targeted expenditure percentage of 16.6% followed by discussion of Other Operating Revenue, Total Operating Revenue, Net Operating Profit/Loss, increases in the Water Conservation and Human Resources Departments, and overtime costs.

4.5) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the status of approved 2015 engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed, budgeted projects, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of funding the next phase of the Palmdale Regional Groundwater Recharge and Recovery Project.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the District's Debt Service Coverage for 2014 was 1.10 meeting the required Debt Service Coverage, and after discussion of the factors affecting the Debt Service Coverage, he stated that the bonding companies review this information for ratings; that the Debt Service Coverage has been met but is sliding; and that a 3.5% rate increase versus a 5.5% rate increase has a negligible impact on the customer but largely impacts the District's Debt Service Coverage.

5.2) Other.

Finance Manager Williams reviewed the detailed listing of Miscellaneous Supplies as requested at the last meeting followed by discussion of revisions to the formatting of the list to include sub-accounts.

He then stated that the Rate Assistance Program has 232 approved participants.

It was determined that the next Finance Committee meeting will be held May 11, 2015 at 10:30 a.m. for reporting through April with the next Finance Committee meeting to be held July 6, 2015 at 10:30 a.m. for reporting through May.

Financial Advisor Egan then stated that he will be working remotely in July, August, and September; that he will prepare reports for these months; and that his partner can attend Finance Committee meetings in his absence.

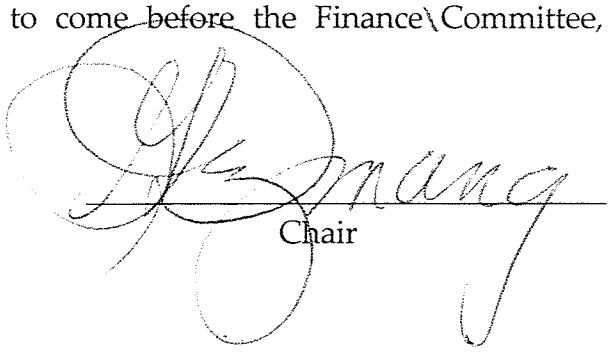
There were no additional information items.

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

There were no further requests for future agenda items.

7) **Adjournment.**

There being no further business to come before the Finance\Committee, the meeting was adjourned.



Chair

MINUTES OF MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 1, 2015:

A regular meeting of the Outreach Committee of the Palmdale Water District was held Wednesday, April 1, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) **Roll Call.**

Attendance:	**Others Present:**
Outreach Committee:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Robert Alvarado, PWD Director
Joe Estes, Committee Member	Mike McNutt, PIO/Conservation Director
	Dawn Deans, Executive Assistant
	0 members of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Estes, seconded by Chair Dizmang, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Action Items:**

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held March 2, 2015.

After a brief discussion, it was moved by Committee Member Estes, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the meeting held March 2, 2015, as written.

4.2) Review of April, 2015 Newsletter. (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt stated that the April, 2015 issue of The Pipeline is on schedule to be sent this month via mail and email followed by discussion of articles for the issue.

4.3) Discussion and Review of Outreach Calendar. (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt reviewed all outreach items completed in March, 2015 and Outreach Calendar items for April, 2015 and stated that the first "Where's Our Water?" video has been completed for the District's YouTube channel with the second to be recorded later this month.

Committee Member Estes then requested notification of calendar items as they occur as the Committee may be interested in attending these events.

PIO/Conservation Director McNutt then distributed information on the latest snowpack levels followed by discussion of radio advertising spots.

5) Information Items.

5.1) Reaching Out Program. (PIO/Conservation Director McNutt)

a) Status on School Conservation Program (Elementary/High School). (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt stated that a presentation was conducted at Eastside High School regarding water scarcity; that a presentation is scheduled at an elementary school outside the District's service boundaries, and Los Angeles County Waterworks will be invited to attend as the servicing agency; that the SOAR Science Fair is scheduled for April 27, and the Committee has been invited to judge the event; and that the entire Board will be informed of this event.

b) Status on Commercial Certification Program. (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt stated that this item will move forward when a Water Conservation Intern is hired and that he will be obtaining his AWWA Water Efficiency Certification to assist with this Program.

c) Status on Video Production and District-Hosted Webinars. (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt stated that a video production contract has been negotiated and that production is expected to begin shortly.

He then stated that the April District-hosted webinar has been rescheduled for May 27, 2015 at 10:30 a.m. with a presentation from Water Emergency Response of Los Angeles County and that future webinars will be held every other month followed by review of District artwork associated with the webinars.

d) Status on Monthly H_2O Talk on the District's YouTube Channel. (PIO/Conservation Director McNutt)

This item was discussed under Agenda Item No. 4.3, and the video can be shown at a future Board meeting.

e) Status on Radio Advertising. (PIO/Conservation Director McNutt)

PIO/Conservation Director McNutt reviewed the upcoming radio ad.

5.7) Other.

PIO/Conservation Director McNutt stated that he attended the San Gabriel Mountain Community Collaborative Meeting and that this group is working on a code of ethics.

He then stated that he attended the ACWA Communications Committee meeting; that these meetings offer valuable information to the District; and that he has been assigned to a writing sub-committee for this group.

There were no additional information items.

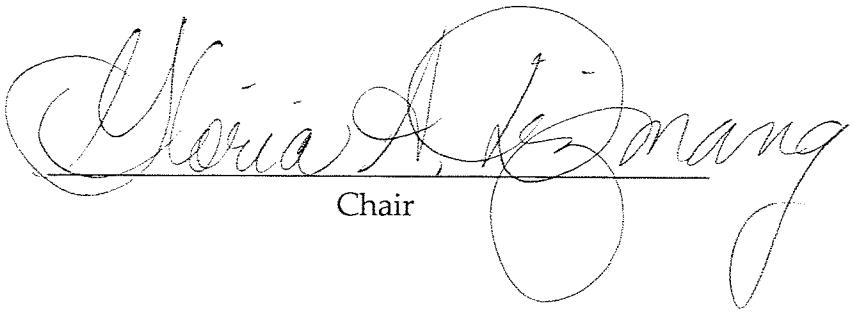
6) Board Members' Requests for Future Agenda Items.

There were no further requests for future agenda items.

It was then stated that the next Outreach Committee meeting will be held May 14, 2015 at 10:30 a.m.

7) Adjournment.

There being no further business to come before the Outreach Committee, the meeting was adjourned.



Chair

MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 2, 2015:

A meeting of the Personnel Committee of the Palmdale Water District was held Thursday, April 2, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order.

1) **Roll Call.**

Attendance:	**Others Present:**
Personnel Committee:	Dennis LaMoreaux, General Manager
Kathy Mac Laren, Chair	Patty Quilizapa, General Counsel
Joe Estes, Committee Member	Laura Walker, Personnel Counsel
	Matt Knudson, Assistant General Manager
	Jennifer Emery, Human Resources Director
	Mike Williams, Finance Manager
	Tim Moore, Facilities Manager
	Judith Hernandez, Senior Customer Care Rep.
	Dawn Deans, Executive Assistant
	0 members of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Estes, seconded by Chair Mac Laren, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Action Items:**

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held March 2, 2015.

It was moved by Committee Member Estes, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held March 2, 2015, as written.

4.2) Presentation on Learn for Life Participation in the District's Internship Program. (John Fleming, Learn for Life Director)

Committee Member Estes stated that Mr. Fleming requested this item be considered at the next meeting and that Mr. Fleming offered the Committee a tour of the Learn for Life facility.

4.3) Discussion and Review of Human Resources Calendar. (Human Resources Director Emery)

Human Resources Director Emery reviewed the Human Resources Calendar goals for each quarter of 2015 including the salary survey process, job descriptions, internship program, Ad Hoc Best Practices Committee, succession planning, employee handbook updates, the May 16 Employee Appreciation Picnic and fundraiser honoring District employees who have passed, the wellness program, and items completed in the first quarter.

Committee Member Estes requested the families of honored District employees receive certificates.

4.4) Discussion and Review on Customer Care Certification Program. (Human Resources Director Emery)

Human Resources Director Emery reviewed Customer Care Level I and II positions and program options for achieving Level II status, which include the District becoming a regional leader for the development of a Customer Care Certification Program, and after a brief discussion of being the benchmark for customer care, the Committee concurred with staff's recommendation to create a Customer Care Certification Program.

4.5) Consideration and Possible Action on Approval of a Job Description and Salary Range for Operations Technician I/II Which Will Include Our Current Pump Operator I/II, Equipment Mechanic I/II, Plant Maintenance Mechanic I/II, and Senior Plant Maintenance Mechanic. (Human Resources Director Emery)

Human Resources Director Emery provided an overview of the process for developing the Operations Technician I/II job description and salary range, and after a brief discussion of this process and of the transparency of the documentation involved

with the salary survey, it was moved by Committee Member Estes, seconded by Chair Mac Laren, and unanimously carried that the Committee concurs with staff's recommendation to approve the job description and salary range for Operations Technician I/II, which includes the District's current Pump Operator I/II, Equipment Mechanic I/II, Plant Maintenance Mechanic I/II, and Senior Plant Maintenance Mechanic and that this item be presented to the full Board for consideration at the April 8, 2015 Regular Board Meeting.

4.6) Consideration and Possible Action to Provide for an Independent Employment Law Firm for Staff Consultation on an As-Needed Basis. (General Manager LaMoreaux)

General Manager LaMoreaux stated that The Mathis Group recommended this item be discussed by the Committee, and after a brief discussion of providing an independent third-party law firm in the event of potential conflicts, General Counsel's employment law qualifications, and the District's insurance carrier attorneys, the Committee determined that an independent employment law firm for staff consultation is not needed.

4.7) Consideration and Possible Action on Scheduling a President's Dinner for Informal Discussions on the Strategic Plan. (General Manager LaMoreaux)

General Manager LaMoreaux stated that a President's Dinner offers an opportunity for informal discussions between management staff and the Board, and after a brief discussion of having President's Dinners on a quarterly basis, it was moved by Committee Member Estes, seconded by Chair Mac Laren, and unanimously carried that the Committee concurs with the recommendation to schedule a President's Dinner for informal discussions on the Strategic Plan and that this item be presented to the full Board for consideration at the April 22, 2015 Regular Board Meeting.

5) Project Updates.

5.1) Status on Customer Service 2015 Campaign. (General Manager LaMoreaux)

Senior Customer Care Rep. Hernandez reviewed the successful transition of separating the Customer Care Department and Finance Departments and stated that staff continues to implement better communication with customers based on the Customer

Survey results including more account access for tenants, revisions and translation to Spanish of all forms, notification form letters regarding participation in the Rate Assistance Program, which has 286 participants as of March 31, invitations to customers to increase their water allocation, options for transferring water service to new customers, better monitoring for closed accounts, offering water conservation displays and information in the lobby and more Customer Care Department participation in community events, sharing Customer Survey results with customers, and the ability to text with customers.

General Counsel Quilizapa then advised that there are proposed revisions to Proposition 218 regarding including low income assistance into water rates.

5.2) Status on Organizational Assessment. (General Manager LaMoreaux)

General Manager LaMoreaux stated that the BHI Management Consulting Board Governance Workshop will be scheduled and that The Mathis Group will update the cultural survey, the Strategic Plan, and will schedule management group meetings and trainings.

5.3) Other.

Human Resources Director Emery stated that quarterly events for the Wellness Program could include hot-tapping in June, the Relay for Life in September, the ColorVibe Run early next year; and the Fight for Air Climb.

She then stated that the Communications Committee is developing the Pat McElfresh PACE Program, which is a peer-nominated Employee of the Quarter Program, and reviewed Mr. McElfresh's work ethic.

She then stated that upcoming updates to the Employee Handbook include sick leave law and requiring Medicare parts A and B for retirees to reduce the District's costs.

She then stated that the benefits survey will include discussions on the 2018 Cadillac tax and the District's cash in lieu for medical insurance program.

There were no other items for discussion.

6) Information Items.

There were no further information items.

7) Board Members' Requests for Future Agenda Items.

Director Estes recommended the District's historical documents be displayed after which General Manager LaMoreaux stated that revisions from Itzen Architects would allow more areas for display of historical documents in addition to the Boardroom hallway.

There were no further requests for future agenda items.

It was then stated that the next Personnel Committee meeting will be held May 12, 2015 at 9:00 a.m.

8) Adjournment.

There being no further business to come before the Personnel Committee, the meeting was adjourned.

Chair

MINUTES OF MEETING OF THE FACILITIES COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 6, 2015:

A meeting of the Facilities Committee of the Palmdale Water District was held Monday, April 6, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Estes called the meeting to order.

1) **Roll Call.**

Attendance:	**Others Present:**
Facilities Committee:	Dennis LaMoreaux, General Manager
Joe Estes, Chair	Matt Knudson, Assistant General Manager
Vincent Dino, Committee Member	Kelly Jeters, Systems Supervisor
	Dawn Deans, Executive Assistant
	0 members of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Dino, seconded by Chair Estes, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Action Items:**

4.1) Consideration and Possible Action on Approval of Minutes of Regular Meeting Held March 5, 2015.

It was moved by Committee Member Dino, seconded by Chair Estes, and unanimously carried to approve the minutes of the Facilities Committee meeting held March 5, 2015, as written.

4.2) Discussion and Possible Action on Itzen Architects' Office Remodel Recommendations and Potential Next Steps. (Itzen Architects/General Manager LaMoreaux)

Assistant General Manager Knudson introduced Ms. Jana Itzen, of Itzen Architects, who then reviewed via conference call their recommended schematic design

for remodeling the front lobby, Customer Care Department, restroom and public restroom facilities, break room, printing room, and Finance Department, and after a brief discussion of the remodel, General Manager LaMoreaux stated that this presentation will be provided to the full Board at the April 8, 2015 Regular Board Meeting with discussions on Board direction for the development of a detailed design concept and a construction cost estimate for moving forward with the remodel.

5) **Information Items.**

5.1) Status Report on All 2015 Budget Projects Including Timelines, Milestones, Project Manager, and if the Project is on Schedule. (Chair Estes)

Assistant General Manager Knudson reviewed in detail the 2015 Project Schedule for all budgeted projects and annual tasks, which includes who oversees the project, the budget reference, a start and end time for each of the projects, and subtasks after which Systems Supervisor Jeters provided a detailed review of a transformer replacement project, including cost savings for performing this work in-house, and several other budgeted projects.

General Manager LaMoreaux then provided a review of the adjudication settlement as it relates to the District's pumping activities and the benefit of the Palmdale Regional Groundwater Recharge and Recovery Project.

5.2) Status on Area-wide Wi-Fi System in Conjunction With Other Local Agencies. (General Manager LaMoreaux)

General Manager LaMoreaux stated that a meeting between the District, the City of Palmdale, the Palmdale School District, the Antelope Valley Union High School District, the Palmdale Sheriff's Department, and IBEW Local Union 11 is scheduled for April 14 to begin discussions on an area-wide Wi-Fi system; that the City of Palmdale Mayor's office is also scheduling a meeting between the District, the City of Palmdale, and the Palmdale School District to discuss potential joint projects; and that the Engineering Intern will be conducting research on other cities with area-wide Wi-Fi systems followed by discussion of joint outreach, major Wi-Fi carriers, how other communities have implemented area-wide Wi-Fi systems, and presentation of this information to the full Board.

5.3) **Other.**

General Manager LaMoreaux stated that the Forest Service has locked the gate to the Littlerock Dam area due to lack of maintenance and health and safety concerns and that directional signs to the area have been removed from the District's Well Site No. 20.

There were no additional information items.

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

There were no requests for future agenda items.

It was stated that the next Facilities Committee meeting will be held May 7, 2015 at 8:15 a.m.

7) **Adjournment.**

There being no further business to come before the Facilities Committee, the meeting was adjourned.

Chair

MINUTES OF REGULAR MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 20, 2015:

A regular meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Monday, April 20, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.

1) **Roll Call.**

Attendance:	**Others Present:**
Water Supply & Reliability Cmte:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Matt Knudson, Assistant General Manager
Vincent Dino, Committee Member	Jon Pernula, Water & Energy Resources Director
	Peter Thompson II, Deputy Water & Energy Resources Director
	Mike McNutt, PIO/Conservation Director
	Danielle Henry, Administrative Assistant
	1 member of the public

2) **Adoption of Agenda.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to adopt the agenda, as written.

3) **Public Comments.**

There were no public comments.

4) **Action Items:**

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held March 23, 2015.

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held March 23, 2015, as written.

4.2) Presentation of Monthly Water Demand and Supply Status. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula reviewed the water supply projections and charts included in the agenda packets through March, 2015 and stated that projections, budgeted, and actual consumption are tracking as expected for this period; that Littlerock Reservoir is nearly empty; and that conservation will assist the District's overall water supplies followed by discussion of wastewater from rivers affecting the declining Delta smelt population, the District's request to return 2,500 acre feet of water banked in the Willow Springs Water Bank, and the District's per capita water use being well below the 2020 goal.

4.3) Status on the Operations of the State Water Project. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula reviewed rainfall to date and stated that the District's State Water Project allocation remains at 20%; that State Water Project farmers have less water to sell; and that he requested the Department of Water Resources increase statewide allocations one percent due to area of origin settlements.

4.4) Consideration and Possible Action on Resolution No. 15-9 Declaring Continued Emergency Water Conservation Restrictions and Reaffirming State Water Resources Control Board Regulations on the Delivery and Consumption of Water for the Purpose of Achieving the Mandated 25% Reduction in Potable Water Use as Required on April 1, 2015 by Executive Order B-29-15. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula stated that the Governor's office requested agencies to reduce water use 25% and that the State Water Resources Control Board is determining how to achieve the 25% reduction statewide after which General Manager LaMoreaux stated that the State Water Resources Control Board's most recent calculation increases the District's mandatory reduction from 25% to 32%; that other local agencies are also being requested to reduce water use over 25%, with Quartz Hill Water District at 36%; that those who have saved must now reduce water use even more; that baseline water reduction information was submitted by all agencies in 2010 Urban Water Management Plans, and the District will propose this baseline number be used to achieve the 25% statewide reduction in an equitable manner; and that staff recommends this item be tabled until a calculation for determining a 25% statewide reduction has been finalized.

It was then moved by Director Dino, seconded by Director Dizmang, and unanimously carried to table this item followed by discussion of senior water rights.

5) Project Updates.

5.1) Littlerock Dam Sediment Removal Project. (Assistant General Manager Knudson)

Assistant General Manager Knudson stated that the Forest Service's minimal comments on the draft environmental documents for this Project have been addressed; that the 45-day public review period will begin May 22 with a public meeting to be scheduled in early June at the District's office; and that recreational facilities at Littlerock Reservoir remain closed.

5.2) Palmdale Recycled Water Authority. (General Manager LaMoreaux)

General Manager LaMoreaux stated that a contract for Phase 2 design work for the recycled water pipeline was awarded to Antelope Valley Engineering last month; that an Authority meeting is tentatively scheduled for May; that the reallocation of recycled water is pending between the Sanitation District and Los Angeles County Waterworks; and that this reallocation contract needs to be in place for the Authority to begin delivering recycled water and for the District to take delivery of recycled water for the Palmdale Regional Groundwater Recharge and Recovery Project.

Chair Dizmang then stated that it has been over three years; that there must be resolution on the contract for the reallocation of recycled water; and that the Authority cannot exist without this contract.

5.3) City of Palmdale's Upper Amargosa Recharge Project. (Assistant General Manager Knudson)

Assistant General Manager Knudson stated that GEI is continuing their work on construction design drawings.

5.4) Palmdale Regional Groundwater Recharge and Recovery Project. (Assistant General Manager Knudson)

Assistant General Manager Knudson stated that an agreement with Kennedy Jenks Consultants for the next phase of this Project has been finalized and that they are well underway with environmental survey work followed by discussion of AVEK's recent award as the 2015 National Grand Prize winner for Excellence in Environmental Sustainability from the American Academy of Environmental Engineers & Scientists.

5.5) Status on Drought. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula stated that the drought continues, and it has made water purchase negotiations difficult.

6) Information Items.

6.1) Water Purchase Opportunities. (Water & Energy Resources Director Pernula)

Water & Energy Resources Director Pernula stated that staff is negotiating a long-term lease and purchase agreement and an exchange agreement of Table A State Water Project water followed by discussion of the District's Table A allocation, exchange agreements, and recent newspaper articles regarding water issues.

6.2) Other.

There were no further information items.

7) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was then stated that the next Water Supply & Reliability Committee meeting will be held May 20, 2015 at 2:30 p.m.

8) Adjournment.

There being no further business to come before the Water Supply & Reliability Committee, the meeting was adjourned.

Chair