PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT PALMDALE WATER DISTRICT
2029 E. AVENUE Q
PALMDALE, CALIFORNIA
REGULAR MEETING AGENDA NO. 19
AUGUST 19, 2015
7:00 P.M.

www.cityofpalmdale.org
www.palmdalewater.org

WELCOME

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

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

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

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

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

1. **CALL TO ORDER.**

2. **PLEDGE OF ALLEGIANCE.**

3. **ROLL CALL:** **DIRECTORS JAMES C. LEDFORD, JR., KATHY MAC LAREN, ROBERT ALVARADO, FRED THOMPSON, AND HELEN VELADOR**

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

Motion: Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting. (**Vote by Roll Call** - Requires a majority to waive.)

5. **CONSENT CALENDAR – PUBLIC COMMENTS ONLY:** If you wish to comment on any item(s) listed on the Consent Calendar on this agenda, please come forward to the podium and state the item number(s) and your comments. **PLEASE NOTE: A three-minute time limit** will be imposed on each speaker other than staff members.

6. **CONSENT CALENDAR:**

NOTICE: All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by the Board, in which case the item(s) will be removed from the Calendar and will be considered separately following this portion of the Agenda.

6.1 Approve the Minutes from the previous meeting held on June 17, 2015 (7pm). (Staff Reference: Authority Secretary Smith)

6.2 Approve Receipt and Filing of the Treasurer's Report for the seven months ending July 31, 2015. (Staff Reference: Treasurer/Auditor Johnston).

6.3 Adopt Resolution No. PRWA 2015-008, A Resolution of the Board of Directors of the Palmdale Recycled Water Authority appointing officers, and repealing PRWA Resolution No. 2013-018. (Staff Reference: Treasurer/Auditor Johnston)

6.4 Adopt Resolution No. PRWA 2015-009, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority designating those officials who are authorized to sign checks and warrants, effective August 19, 2015. (Staff Reference: Treasurer/Auditor Johnston)

Staff Recommendation: Move to approve the recommendations and findings on all items listed under this Consent Calendar. (**Vote by Roll Call** - Requires a majority to approve.)

7. **ACTION CALENDAR:**

7.1 Consideration and possible action on the Adoption of Resolution No. PRWA 2015-007, authorizing a contract with ESA Water, Agreement No. PRWA-005, to prepare the environmental package to support the water recycling construction grant application to State Water Resources Control Board for the Palmdale Recycled Water Authority recycled water line

phase 2 project including approval of the following items (Staff Reference: Executive Director LaMoreaux):

7.1a Approve a contract with ESA Water, Agreement No. PRWA-005, to prepare the environmental package to support the water recycling construction grant application for the Recycled Water Line Phase 2 project in amount not to exceed $9,975.

7.1b Adopt Resolution No. PRWA 2015-007, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority authorizing a contract with ESA Water to prepare the environmental package component of a water recycling construction grant application to State Water Resources Control Board for the Palmdale Recycled Water Authority Recycled Water Line Phase 2 Project.

7.1c Authorize the Chair to execute the contractual agreement with ESA Water.

Call for Public Comment

Staff Recommendation: Move to approve all items required to prepare the environmental package and approve agreement with ESA Water. (**Vote by Roll Call** – requires a majority to adopt and/or approve and per Section 4.9(e) of the Authority's Joint Exercise of Powers Agreement, the affirmative vote of at least one director from each member agency).

7.2 Consideration and Possible Action Regarding adoption of Resolution No. PRWA 2015-006 regarding the sale of recycled water. (Staff Reference: Assistant Executive Director Mischel)

7.2a Adopt Resolution No. PRWA 2015-006, A Resolution Of The Board of Directors of The Palmdale Recycled Water Authority Authorizing The Sale Of Recycled Water To Any Person Or Entity Other Than The Authority Members And To Set The Price Of The Recycled Water.

Call for Public Comment

Staff Recommendation: Move to adopt Resolution No. PRWA 2015-006. (**Vote by Roll Call** – requires a majority to adopt, and per Section 4.9(e) of the Authority's Joint Exercise of Powers Agreement, the affirmative vote of at least one director from each member agency).

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

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

10. **ADJOURNMENT:** to September 16, 2015 at 7:00 p.m. at the City of Palmdale Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California.

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

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

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: August 19, 2015
TO: BOARD OF DIRECTORS
FROM: Karen Johnston, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

August 19, 2015
Board Meeting

RE: AGENDA ITEM NO 6.2 – TREASURER'S REPORT FOR July 31, 2015

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer's Report for the seven months ending July 31, 2015.

Background:

To comply with provisions required by Section 4.13 of the Joint Powers of Authority Agreement and responsibilities of Treasurer, a Financial Report is prepared and submitted to the Board of Directors who certifies the availability of funds for the reports presented. These reports are hereby submitted to the Board of Directors for ratification.

Financial Impact:

As of July 31, 2015 the PRWA has $422,171.72 cash in the bank. PRWA earned $185.95 in interest, received $200,000 in contributions from member agencies and paid invoices totaling $32,591.32 in expenditures.

Supporting Documents:

July 31, 2015 Treasurer's Report.

Palmdale Recycled Water Authority
Treasurer's Report
Month Ended July 31, 2015

Cash/Funds Available and held at Bank of America:	
Balance, beginning January 1, 2015	$64,582.49
Add: 2014 Accounts Receivable Received in 2015	$231,625.18
Less: 2014 Accounts Payable Paid in 2015	($41,630.58)
Available Balance, beginning	254,577.09
Add: Deposits:	
Interest Earnings	185.95
City of Palmdale 2015 Contribution	100,000.00
Palmdale Water District 2015 Contribution	100,000.00
Total	200,185.95
Less: Expenditures	32,591.32
Balance, ending July 31, 2015	422,171.72

Expenditures:

Wateruse Association, 2015 Membership Dues	2,552.37
Co. Sanitation District Jan-March 2015	3,187.71
Rackspace, Hosting Service (Monitoring & Firewall to July 2015)	4,266.81
Travel and Training	1,859.43
Professional Services-Antelope Valley Engineering	12,000.00
Professional Services-VDT Audit Services	8,725.00
Total Expenditures	32,591.32

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE:	August 11, 2015	**August 19, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Karen Johnston, Treasurer	
VIA:	Mr. Dennis LaMoreaux, Executive Director, PRWA	

RE: *AGENDA ITEM NO. 6.3 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. PRWA 2015-008, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY APPOINTING OFFICERS, AND REPEALING RESOLUTION NO. PRWA 2013-018.*

Recommendation:

Palmdale Water Recycled Water Authority (PRWA) staff recommends adoption of Resolution No. PRWA 2015-008 Appointing Officers of the Palmdale Recycled Water Authority for 2015 and Repeal Resolution No. PRWA 2013-018.

Background:

The City of Palmdale and the Palmdale Water District rotate some of the duties of officers on an annual basis. This Resolution sets forth the appointments for 2015 as follows: Dennis LaMoreaux as Executive Director, Michael Mischel as Assistant Executive Director, Wm. Matthew Ditzhazy as Authority Counsel, Rebecca Smith as Board Secretary, and Michael Williams as both Treasurer and Auditor. The terms for said Officers will all commence on August 19, 2015 and run until December 31, 2015 or until their respective successors are appointed. PRWA Resolution No. 2015-008 also authorizes each officer to name assistants that may act at their direction and in their capacity as needed.

Financial Impact:

None.

Supporting Documents:

PRWA Resolution No. 2015-008.

RESOLUTION NO. PRWA 2015-008

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY APPOINTING OFFICERS, AND REPEALING PRWA RESOLUTION NO. 2013-018

WHEREAS, Section 4.12 of the Joint Exercise of Powers Agreement creating the Palmdale Recycled Water Authority (hereinafter "Agreement") authorizes the Board of Directors to appoint a Secretary who shall be responsible for keeping the minutes and other records of the Authority and performing such other duties as specified by the Board; and

WHEREAS, Section 4.13 of the Agreement authorizes the Board of Directors to appoint a Treasurer who shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source and as such, shall have all the duties and responsibilities specified in Section 6505.5 of the Joint Exercise of Powers Act; and

WHEREAS, Section 4.13 of the Agreement authorizes the Board of Directors to appoint an Auditor who may also act as the Treasurer; and

WHEREAS, Section 4.14 of the Agreement authorizes the Board of Directors to appoint an Executive Director and other staff as deemed necessary by the Board of Directors.

WHEREAS, Section 4.20 of the Agreement authorizes the Board of Directors to retain and appoint legal counsel for the Authority.

WHEREAS, the Agreement authorizes the Board to alternate officers between the two Members as the Board sees fit.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1: The Authority Board appoints the following individuals as its officers commencing on August 19, 2015 through December 31, 2015 or until their respective successors are appointed whichever is later.

SECTION 2: Dennis LaMoreaux is re-appointed Executive Director.

SECTION 3: Michael Mischel is re-appointed Assistant Executive Director. The Assistant Executive Director may act as Acting Executive Director in the absence of the Executive Director.

SECTION 4. Wm. Matthew Ditzhazy is appointed Authority Counsel. Wm. Matthew Ditzhazy may appoint an Assistant Authority Counsel who may act as Acting Authority Counsel in the absence of the Authority Counsel. Any actions taken by Wm. Matthew Ditzhazy acting as the Authority Counsel in 2015 are hereby ratified.

SECTION 5. Michael Williams is appointed Auditor and Treasurer. Michael Williams may appoint an Assistant Treasurer or Assistant Auditor who may act as Acting Treasurer or Assistant Auditor, as the case may be, in the absence of the Treasurer or Auditor.

SECTION 6. Rebecca Smith is appointed Secretary. Ms. Smith may appoint an Assistant Secretary who may act as Acting Secretary in the absence of the Secretary. Any actions taken by Rebecca Smith acting as the Secretary in 2015 are hereby ratified.

PASSED, APPROVED and ADOPTED this 19th day of August, 2015, by the following vote:

AYES:_____

NOES:_____

ABSENT:_____ ABSTAIN:_____

_____
James C. Ledford, Jr., Chair

ATTEST:

_____
Rebecca Smith,
Authority Secretary

Approved as to form:

_____
Wm. Matthew Ditzhazy,
For Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE:	August 11, 2015	**August 19, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Karen Johnston, Treasurer	
VIA:	Mr. Dennis LaMoreaux, Executive Director, PRWA	

RE: *AGENDA ITEM NO. 6.4 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. PRWA 2015-009, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY DESIGNATING BY TITLE AND NAME THOSE OFFICIALS WHO ARE AUTHORIZED TO SIGN CHECKS AND WARRANTS.*

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends that the Authority Board approve Resolution No. PRWA 2015-009, a Resolution of the Board of Directors of the Palmdale Recycled Water Authority designating by title and name those officials who are authorized to sign checks and warrants.

Background:

Resolution No. PRWA 2015-009 will reflect the appointment or deletion of the following, and add or delete him or her as an authorized signer of checks and warrants for the Palmdale Recycled Water Authority:

James C. Ledford, Chair - Adding
Kathryn MacLaren, Vice-Chair – Adding
Michael Williams, Treasurer – Adding
Karen Johnston, Assistant Treasurer – Adding
Dennis Hoffmeyer, Assistant Treasurer – Adding
Betsy St. John, Treasurer – Deleting
Hamed Jones, Assistant Treasurer - Deleting

Financial Impact:

None.

Supporting Documents:

PRWA Resolution No. 2015-009

RESOLUTION NO. PRWA 2015-009

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY DESIGNATING THOSE OFFICIALS WHO ARE AUTHORIZED TO SIGN CHECKS AND WARRANTS, EFFECTIVE AUGUST 19, 2015

WHEREAS, the Palmdale Recycled Water Authority has engaged various financial institutions as depositories of Palmdale Recycled Water Authority moneys and funds administered by the Palmdale Recycled Water Authority Board of Directors; and

WHEREAS, The Board of Directors has, by Resolution, heretofore designated by title certain officials who are authorized to sign checks, drafts, warrants, or other orders for the payment of money drawn in the name of the Palmdale Recycled Water Authority.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Recycled Water Authority:

SECTION 1: For purposes of implementing Section 1 of PRWA Resolution No. 2013-008, the following persons are designated by name and are expressly authorized to sign checks, drafts, warrants or other orders for the payment of money drawn in the name of the Palmdale Recycled Water Authority:

Chair	- JAMES C. LEDFORD
Vice-Chair	- KATHRYN MACLAREN
Treasurer	- MICHAEL WILLIAMS
Assistant Treasurer	- KAREN JOHNSTON
Assistant Treasurer	- DENNIS HOFFMEYER

SECTION 2: The following persons are no longer authorized to sign checks, drafts, warrants or other orders on behalf of the Palmdale Recycled Water Authority:

Treasurer	- Betsy St. John
Assistant Treasurer	- Hamed Jones

SECTION 3: The Clerk of the Authority shall certify to the adoption of this Resolution and enter it into the official records of the Authority.

PASSED, APPROVED and ADOPTED this 19th day of August, 2015, by the following vote:

AYES:_____

NOES:_____

ABSENT:_____ ABSTAIN:_____

_____
James C. Ledford, Jr., Chair

ATTEST:

_____
Rebecca Smith,
Authority Secretary

Approved as to form:

_____
Wm. Matthew Ditzhazy,
Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE:	August 13, 2015	**August 19, 2015**
TO:	BOARD OF DIRECTORS	**Board Meeting**
FROM:	Mr. James Riley, Engineering/Grant Manager, PWD	
VIA:	Mr. Dennis D. LaMoreaux, Executive Director	
RE:	***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. PRWA 20015-007, AUTHORIZING A CONTRACT WITH ESA WATER, AGREEMENT NO. PRWA-005, TO PREPARE THE ENVIRONMENTAL PACKAGE TO SUPPORT THE WATER RECYCLING CONSTRUCTION GRANT APPLICATION TO STATE WATER RESOURCES CONTROL BOARD FOR THE PALMDALE RECYCLED WATER AUTHORITY RECYCLED WATER LINE PHASE 2 PROJECT***	

Recommendation:

That the Board:

1. Approve a contract with ESA Water to prepare the environmental package to support the water recycling construction grant application for the Recycled Water Line Phase 2 project in amount not to exceed $9,975.

2. Authorize the Board Chair to execute Resolution No. PRWA 2015-007.

3. Authorize the Chair to execute the contractual agreement with ESA Water.

Impact of Taking No Action

1. The Authority could lose early consideration for grant/loan funding for construction.

2. The start of construction on the project could be delayed.

Background:

On November 4, 2014, California voters approved Proposition 1, the Water Quality Supply and Infrastructure Improvement Act of 2014. The Act authorizes $7.5 billion in general obligation bonds for new water programs.

The Act allocates $630 million for water recycling projects. Approximately $300 million would be allocated to grants and the other $300 million to loans. Projects eligible for

funding include those in the planning/design/construction phase such as the Palmdale Recycled Water Authority (Authority) Recycle Water Line Phase 2 Project.

In October 2014, ESA Water completed an Initial Study/Mitigated Negative/Declaration (IS/MND) environmental report on the Palmdale Recycled Water Authority Master Plan. On January 21, 2015, the Board passed resolution number PWRA-2015-002 adopting the IS/MND.

In March 2015, the SWRCB issued draft guidelines regarding applications and criteria for funding. The guidelines state that planning grant funds will cover 75% of eligible costs up to a maximum of $75,000. Construction grant funds would be limited to a maximum of 35% of construction costs with a maximum of $15,000,000. The remaining required funding for planning and construction would come from local cost share by the applicant.

On March 18, 2015, the Authority entered into a contractual agreement with Antelope Valley Engineering, Inc. of Lancaster, California to complete final design and cost estimate for the Recycled Water Line Phase 2 Project. Design is scheduled for completion in the fall of 2015.

On May 20, 2015, the Authority passed Resolution No. PRWA-2015-004 authorizing staff to prepare and submit grant applications under the water recycling component of Proposition 1.

The construction application requires the submittal of four packages – general information, technical, environmental and financial. The general information package has been prepared and was submitted to SWRCB on June 15, 2015 requesting $7,500,000 in grant and construction funding.

The preparation of each package requires significant time and effort. It is in the best interest of the Authority to complete all of the packages in an expeditious manner. Therefore it is advantageous for the Authority to contract with ESA Water, the firm who completed the IS/MND environmental report, to complete the environmental package.

Budget:

Preparation of the environmental package for the construction application would cost $9,975.

If awarded, the construction grant portion would amount to 35% of the $7,500,000 or $2,625,000. The balance of $4,875,000 for construction would be eligible for financing at an interest rate of one-half of the most recent general obligation bond rate obtained by the State Treasurer's Office. For water recycling projects submitted before December 2, 2015 the interest rate is 1%. The repayment period can be up to 30 years.

Supporting Documents:

- Resolution No. PRWA 2015-007
- Agreement PRWA-005 between Authority and ESA Water

RESOLUTION NO. PRWA 2015-007

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING A CONTRACT WITH ESA WATER TO PREPARE THE ENVIRONMENTAL PACKAGE COMPONENT OF A WATER RECYCLING CONSTRUCTION GRANT APPLICATION TO STATE WATER RESOURCES CONTROL BOARD FOR THE PALMDALE RECYCLED WATER AUTHORITY RECYCLED WATER LINE PHASE 2 PROJECT

WHEREAS, The Palmdale Recycled Water Authority (Authority) has completed a Recycled Water Facilities Master Plan; and

WHEREAS, The Authority has adopted a Mitigated Negative Declaration for the Recycled Water Facilities Master Plan Initial Study (Resolution No. PRWA 2015-002); and

WHEREAS, the adopted Mitigated Negative Declaration by the Authority fulfills requirement of CEQA and establishes the eligibility of the Project for construction grant funding; and

WHEREAS, the Authority has entered into a contractual agreement with an engineering firm to provide design and construction cost estimate services for the Recycled Water Line Phase 2 Project (Project); and

WHEREAS, the Authority has directed staff to complete the grant applications for both planning and construction grants (Resolution No. PRWA 2015-002); and

WHEREAS, the construction grant application requires the submittal of an environmental package; and

WHEREAS, the construction grant application requires that a cultural resources survey be completed within a one year time frame preceding the submittal of the grant application; and

WHEREAS, ESA Water completed the Mitigated Negative Declaration for the Recycled Water Facilities Master Plan; and

WHEREAS, ESA Water would be the best qualified to complete the environmental package for the construction grant application; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Recycled Water Authority:

SECTION 1: The Authority hereby approves the Chair of the Board to execute Resolution No. PRWA 2015-007.

SECTION 2: The Authority hereby approves the Executive Secretary of the Board to execute a contractual agreement with ESA Water to complete the environmental package for the construction grant application.

SECTION 3: The Secretary of the Authority shall certify to the adoption of this Resolution and enter it into the official records of the Authority.

PASSED, APPROVED and ADOPTED this 19th day of August, 2015, by the following vote:

AYES:_____

NOES:_____

ABSTAIN:_____ ABSENT:_____

_____
James C. Ledford, Jr., Chair

ATTEST:

_____
Rebecca J. Smith,
Authority Secretary

Approved as to form:

_____
Noel Doran
Assistant Authority Counsel

AGREEMENT NO. PRWA-005

CONTRACT FOR ENVIRONMENTAL PROFESSIONAL SERVICES BETWEEN THE PALMDALE RECYCLED WATER AUTHORITY AND ESA WATER

THIS CONTRACT FOR ENVIRONMENTAL PROFESSIONAL SERVICES ("Contract" herein) is made and entered into this _____ day of _____, 2015 by and between the Palmdale Recycled Water Authority a public body corporate and politic, (hereinafter called "AUTHORITY") and ESA Water (hereinafter called "CONSULTANT").

RECITALS

WHEREAS, AUTHORITY desires to engage CONSULTANT to perform certain environmental professional services, as provided herein, in connection with the submittal of a construction grant application identified as Palmdale Recycled Water Authority Recycled Water Line Phase 2 Project.

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

WHEREAS, CONSULTANT desires to accept such engagement.

NOW, THEREFORE, the parties agree as follows:

1 DESCRIPTION OF WORK

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

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

1.3 CONSULTANT shall not accept any change of scope, or change in Contract provisions, unless issued in writing, as a Contract change order or amendment

and signed by AUTHORITY. Any extensions of time must be mutually agreed upon in writing and executed by both parties.

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

2 AUTHORITY PROJECT MANAGER

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

3 CONSULTANT'S KEY PERSONNEL

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

4 COMMENCEMENT AND COMPLETION OF WORK

The execution of this Contract by the parties does not constitute an authorization to proceed. The services of CONSULTANT shall commence when AUTHORITY, acting by and through its Project Manager, has issued an Authorization to Proceed. CONSULTANT shall complete all the work described in Exhibits "A" and "B" and submit final deliverables within sixty (60) calendar days following CONSULTANT's receipt of Authorization to Proceed. CONSULTANT shall have no claim for compensation for any services or work, which has not been authorized by AUTHORITY's Authorization to Proceed.

5 TAXES

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

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

6 PATENT FEES AND ROYALTIES

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

7 STANDARDS OF PERFORMANCE

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

7.2 CONSULTANT shall be familiar with AUTHORITY's relevant AUTHORITY regulations.

7.3 CONSULTANT shall be familiar with State of California Water Recycling Grant Program and in particular as it applies to Exhibit B.

8.0 CONSULTANT'S PERSONNEL

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

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

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

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

8.5 CONSULTANT shall pay, if required by applicable law, not less than the general prevailing hourly wage rates, as determined by the Director of the Department of Industrial Relations pursuant to the California Labor Code, for each craft, classification, or type of worker needed to perform the Contract. Copies of the prevailing rate of per diem wages are on file in the office of the Director of Public Works for the City of Palmdale.

9.0 COMPENSATION

9.1 For all of work and services including the various phases of tasks as described in Exhibits A and B, Scope of Services, AUTHORITY shall pay to CONSULTANT an amount not to exceed the sum of nine thousand nine hundred seventy five dollars ($9,975), in accordance with the Fee Schedule attached hereto as Exhibit "D" and incorporated herein by reference. CONSULTANT shall perform no work in excess of the total contract price without prior approval of AUTHORITY. Total contract price includes expenses related to travel to and from AUTHORITY to meet with AUTHORITY and to appear before AUTHORITY's Board or any other board or commission of AUTHORITY.

9.2 An application and certification for payment form must be submitted to AUTHORITY which shall include the following: a clear, detailed invoice reflecting hours being billed for, a summary sheet showing percentage of work completed to date, amount/percent billed to date and current status of all tasks within the project; any/all backup documentation supporting the above items. Work schedule updates must also be included in the monthly progress payment requests.

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

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

10.0 INDEMNIFICATION

CONSULTANT agrees to indemnify, defend and hold harmless AUTHORITY, and its respective officers, agents and employees, from and against all claims, losses, obligations, or liabilities which arise out of, or are in any way related to, CONSULTANT's negligence, recklessness, or willful misconduct under this Contract.

11.0 INSURANCE

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

11.1.1 Workers' Compensation and Employer's Liability
-Workers' Compensation—coverage as required by the State of California
-Employer's Liability -- $1,000,000.00 each accident

-- $1,000,000.00 policy limit bodily injury
-- $1,000,000.00 each employee bodily injury by disease

11.1.2 Professional Liability Insurance*

-$2,000,000 with no deductible, or;
-Comparable alternative as determined by the AUTHORITY Attorney; and
-Policy form on a claim-made basis

11.1.3 Commercial General Liability

-$2,000,000.00 limit on per occurrence basis
-$5,000,000.00 general aggregate limit

11.1.4 Commercial Automobile Liability

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

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

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

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

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

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

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

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

11.8 Acceptable Proof of Insurance:

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

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

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

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

12.0 TERMINATION WITHOUT CAUSE

AUTHORITY reserves the right to terminate this Contract or any part thereof for its sole convenience with fifteen (15) days written notice. In the event of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and sub-consultants to cease such work. CONSULTANT shall also

surrender to AUTHORITY all finished or unfinished documents or programs and other materials, which shall be AUTHORITY's property. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive an amount equal to the value of the work completed as of the termination date in accordance with the fee schedule or as negotiated between the parties. In no event shall the amount payable upon termination exceed the total maximum compensation provided for in this Contract.

13.0 TERMINATION FOR CAUSE

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

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

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

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

13.4 If, after notice of termination of the Contract under the provisions of this Section 13, it is determined, for any reason, that the CONSULTANT was not in default, or

that the default was excusable, then the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 12.

14 DISPUTE RESOLUTION

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

15.0 OWNERSHIP OF DOCUMENTS

All documents, including, but not limited to, tracings, drawings, plans, specifications, original mylars, estimates, field notes, investigations, environmental analysis and studies which are prepared in the performance of this Contract are to be, and remain the property of, AUTHORITY. CONSULTANT shall furnish AUTHORITY, upon its request, originals or reproducible or electronic copies of technical specifications and of all other documents listed above. CONSULTANT shall endorse, by his professional seal, all plans and data furnished by him.

16.0 RE-USE OF DOCUMENTS

The parties agree the documents, although the property of the AUTHORITY, are prepared for a specific project and are not intended nor represented by CONSULTANT to be suitable for re-use for any other project. Any reuse without written verification or adaptation by CONSULTANT for the specific purpose intended will be at AUTHORITY's sole risk and without liability or legal exposure to CONSULTANT.

17.0 SUBCONTRACTING, DELEGATION AND ASSIGNMENT

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

A. The amount involved, together with CONSULTANT's analysis of such cost or price; and
B. A provision requiring that any subsequent modification or amendment shall be subject to the prior written consent of AUTHORITY.
C. The requirement to hire only those persons authorized by federal law to work in the United States.

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

18.0 NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

18.1 In performance of this Contract, CONSULTANT shall not discriminate against any employee, subcontractor or applicant for employment because of sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation or age. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, sex, national origin, handicap or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

18.2 The provisions of subsection 18.1 above shall be included in all solicitations or advertisements placed by or on behalf of CONSULTANT for personnel to perform any services under this Contract. AUTHORITY shall have access to all documents, data and records of CONSULTANT and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section, and all applicable provisions of Executive Order No. 11246 which is incorporated herein by this reference. A copy of Executive Order No. 11246 is available for inspection at, and on file with, the Palmdale City Clerk's Office.

19 FINANCIAL INTEREST CERTIFICATION

19.1 CONSULTANT warrants that no person has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission,

percentage, brokerage or contingent fee; and that no officer or employee of the AUTHORITY has any interest, financially or otherwise, in CONSULTANT's firm.

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

20.0 CONFLICT OF INTEREST

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

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

20.3 If CONSULTANT is a registered professional engineer or licensed land surveyor and the scope of work requires CONSULTANT's recommendation of the actual formula to spread the costs of an assessment district's improvements, then CONSULTANT shall not participate in making that recommendation if the additional elements set forth in Government Code section 87100.1(c) apply. Those additional elements are: (1) CONSULTANT has received income of $250 or more for professional services in connection with any parcel included in the benefit assessment district within 12 months prior to the creation of the district; and (2) the district includes other parcels in addition to those parcels for which CONSULTANT received the income. In the event a conflict of interest does arise in that context, AUTHORITY shall select a different CONSULTANT to recommend the actual formula to spread the costs of the assessment district's improvements and the costs of such services shall be deducted from the compensation to be paid to CONSULTANT.

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

21.0 COMPLIANCE WITH LAW

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

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

22.0 NOTICES

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

23.0 ENTIRE CONTRACT AND AMENDMENTS

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

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

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

24 ATTORNEY'S FEES

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

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

PALMDALE RECYCLED WATER AUTHORITY

James C. Ledford Jr. Date
CHAIR

ADDRESS FOR NOTICE:
Palmdale Recycled Water Authority
39110 3rd Street East
Palmdale, CA 93550

APPROVE AS TO FORM:

Wm. Matthew Ditzhazy
Authority Attorney

ATTEST:

Rebecca J. Smith
City Clerk

CONSULTANT:

Tom Barnes, Date
Vice President; Director of Southern CA Water Practice Group

ADDRESS FOR NOTICE:
ESA Water
626 Wilshire Blvd, Suite 1100
Los Angeles, CA 90017

ATTEST: If Corporation

Secretary

EXHIBIT A

SCOPE OF SERVICES

Task 1: Project Management and SWRCB Coordination

ESA's Project Manager will oversee day to day execution of the scope of work and team management, and will be responsible for scope, schedule and budget management and performance along with monthly progress reporting and invoicing. ESA's Project Director will provide senior oversight for contract performance as well as quality assurance. ESA's Project Manager will maintain regular contact with staff as appropriate. This scope of work and task include the following management meetings:

- Up to two progress meetings are included, via conference call, for document review and finalization.

In addition, this task includes regular coordination with SWRCB staff for processing the SRF funding, which requires SWRCB environmental review input. ESA would attend coordination meetings with the SWRCB environmental review office in support of their consultation with SHPO and Native Americans. This scope of work and task include the following SWRCB meetings:

- Up to three progress meetings are included, either in person or via conference call, for area of potential effects (APE) map refinement, support with SHPO and Native American consultation, and document processing, which will occur at different phases throughout the project. These meetings will be attended by either the Project Director, Project Manager or technical specialist (cultural and biology), as required.

Task 2: SRF Environmental Application

This task includes preparing the environmental portion of the SRF Application (Exhibit B). We assume no additional data collection would be required for this task, but that some refinement of the Final IS/MND documentation may be requested by SWRCB staff. ESA will prepare the environmental portion of the SRF Application and submit to Palmdale Water District staff for review and comment. Upon receipt of comments from Palmdale Water District staff, ESA would revise the environmental portion of the SRF Application for submittal to the SWRCB. For submittal to the SWRCB, the application also requires two copies of the Final IS/MND along with a copy of the Adopted Mitigation Monitoring and Reporting Plan (MMRP) and filed Notice of Determination.

Task 3: Biological Database Searches

ESA will access the California Department of Fish and Wildlife's (CDFW) California Natural Diversity Data Base (CNDDB) and the California Native Plant Society's *Electronic Inventory of Rare and Endangered Vascular Plants of California* to develop a list of threatened and endangered and other sensitive species with potential to occur within, or in habitats adjacent to, the project impact area. ESA will compare this list with the map used in the Biological Report to confirm no additional species have been added or removed since the report was prepared. ESA would initiate this task if required by the SWRCB.

Task 4: Cultural Resources

ESA will prepare the following task for submittal with the Cultural Resources Report to the SWRCB for Section 106 compliance:

Area of Potential Effects Map. ESA will prepare an archaeological Area of Potential Effects (APE) map. The APE will visually represent the APE described in the Cultural Resources Report. ESA would initiate this task if required by the SWRCB.

Local Native American Scoping. A Sacred Lands File search was requested from the California Native American Heritage Commission (NAHC) to solicit information on sensitive or undocumented traditional/cultural sites in the vicinity of the project. Native American representatives identified by the NAHC as having affiliation with the area will be contacted to assist in identifying any locations of cultural sensitivity. ESA assumes that initial contact letters and one round of phone calls will be required. ESA would initiate this task if required by the SWRCB.

Cost Estimate and Schedule

ESA will prepare the environmental portion of the SRF Application within two months of notice to proceed.

Table 1 shows a not-to-exceed budget of $9,975.

Exhibit B

STATE OF CALIFORNIA
STATE WATER RESOURCES CONTROL BOARD
Division of Financial Assistance
P. O. Box 944212, Sacramento, CA 94244-2120

FINANCIAL ASSISTANCE APPLICATION
Clean Water State Revolving Fund
Water Recycling Funding Program

Print Save

ENVIRONMENTAL PACKAGE

Applicant (Entity) Name:	
Project Title:	
Contact Person:	Phone: ( )

I. CEQA STATUS

Please check the **one** box that describes the project in this application.

☐ The CEQA process has not yet started for this project

☐ The CEQA process is underway for this project*

☐ The CEQA process is complete for this project (**complete Question 2 below**)

☐ The CEQA process was completed for this project more than 5 years prior to anticipated State Water Board agreement execution date** (**complete Question 2 below**)

** A draft of the CEQA document shall be provided to the Division for review and comment. Also provide to the Division copies of any substantiating federal cross-cutter information (i.e., USFWS species list/biological assessment, cultural resources report, air quality analysis data, flood map, etc.). This will enable the Division to better understand the environmental impacts, and provide more meaningful comments on the draft CEQA document before it is sent to the State Clearinghouse.*

*** If the CEQA document was prepared more than five years prior to the anticipated assistance agreement execution date, please provide an updated CEQA document (subsequent, supplemental or addendum) that evaluates the current environmental status of the project.*

II. CEQA DOCUMENTS*** (Complete this section only if the CEQA process has been completed for this project)

Please check all box(es) that describe this application and submit the required attachments for the applicable section(s).

☐ Project is covered under a CEQA Categorical or Statutory Exemption (**complete Section A below and attach documents**)

☐ Project is covered under a Negative Declaration (**complete Section B below and attach documents**)

☐ Project is covered under a Mitigated Negative Declaration (**complete Section C below and attach documents**)

☐ Project is covered under an Environmental Impact Report (**complete Section D below and attach documents**)

**** If a Joint CEQA/NEPA document (EIR/Environmental Assessment or EIR/Environmental Impact Statement) is prepared for the project, submit the applicable Record of Decision and/or Finding of No Significant Impact.*

Required Attachments	Section A	Section B	Section C	Section D
E1- EVALUATION FORM FOR ENVIRONMENTAL REVIEW AND FEDERAL COORDINATION AND SUPPORTING ATTACHMENTS E1.1 TO E1.13				
E2- DRAFT AND FINAL INITIAL STUDY/NEGATIVE DECLARATION (IS/ND)				
E3- DRAFT AND FINAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (IS/MND)				
E4- DRAFT AND FINAL ENVIRONMENTAL IMPACT REPORT (EIR)				
E5- COMMENTS AND RESPONSES				
E6- STATEMENT OF OVERRIDING CONSIDERATION (If Applicable)				
E7- MITIGATION MONITORING AND REPORTING PLAN/PROGRAM (MMRP)				
E8- RESOLUTION APPROVING THE CEQA DOCUMENTS				
E9- NOTICE OF EXEMPTION				
E10- NOTICE OF DETERMINATION				

FOR STATE USE ONLY	
CWSRF Project #	
Project Manager	
Date Received	

E1 – ENVIRONMENTAL REVIEW AND FEDERAL COORDINATION ATTACHMENTS

Check the box next to each item to indicate which supporting attachments you have provided with your application. The supporting documents must be provided unless it is not applicable.

☐ E1.1 – **Clean Air Act**
- Air quality modeling data
- Complete air emissions chart (see Evaluation Form below)
- General conformity and/or air quality studies, *as applicable*

☐ E1.2 – **Coastal Barriers Resources Act**
- Consultation record for CBRA resources in the vicinity of the project area with the USFWS, *if applicable*

☐ E1.3 – **Coastal Zone Management Act**
- Copy of coastal zone permit or coastal exemption, *if applicable*

☐ E1.4 – **Endangered Species Act**
- Up-to-date (less than one year old) USFWS, CDFW Natural Diversity Database, and CNPS species lists
- Project-level biological resources and habitat evaluation including field survey and species lists review
- Record of federal consultation and correspondence, *if applicable*

☐ E1.5 – **Environmental Justice**
- Consultation record for the affected areas with the USEPA Office of Enforcement and Compliance Assurance, *if applicable*

☐ E1.6 – **Farmland Protection Policy Act**
- Assessment of the conversion of prime/unique farmland and farmland of statewide/local importance to non-agricultural uses, *if applicable*
- Assessment of Williamson Act lands converted and/or affected, *if applicable*
- Consultation with USDA and correspondence, *if applicable*

☐ E1.7 – **Flood Plain Management**
- FEMA flood mapping of the project area, *if applicable*
- Assessment of flood hazard and drainage pattern alteration, *if applicable*

☐ E1.8 – **National Historical Preservation Act**
- Cultural Resources Report (with less than one year old record search, extending to a half-mile beyond the project APE) on historic properties consistent with the National Historic Preservation Act requirements

☐ E1.9 – **Magnuson-Stevens Fishery Conservation and Management Act**
- Essential Fish Habitat Assessment (EFH Assessment) for the State Water Board's consultation with the NOAA National Marine Fisheries Service, *if applicable*
- Please see regulation E1.4 above for EFH Assessment requirements

☐ E1.10 – **Migratory Bird Treaty Act**
- List of migratory birds including avoidance measures, *if applicable*

☐ E1.11 – **Protection of Wetlands**
- Copy of 401 Certification from the Regional Water Quality Control Board, *if applicable*
- Copy of 404 permit from the USACE, *if applicable*
- Wetland delineation and survey assessment, *if applicable*

☐ E1.12 – **Safe Drinking Water Act, Sole Source Aquifer Protection**
- Consultation record with the USEPA Region 9 Ground Water Office, *if applicable*

☐ E1.13 – **Wild and Scenic Rivers Act**
- Consultation record with the USDA Forest Service Region 5 Office, *if applicable*

Attachment E1

Evaluation Form for Environmental Review and Federal Coordination

Applicant Name:
Project Title:

1. Clean Air Act:

Air Basin Name:_____

Local Air District for Project Area:_____

Is the project subject to a State Implementation Plan (SIP) conformity determination?

☐ No - The project is in an attainment or unclassified area for all federal criteria pollutants.

☐ Yes - The project is in a nonattainment area or attainment area subject to maintenance plans for a federal criteria pollutant. Include information to indicate the nonattainment designation (e.g. moderate, serious, severe, or extreme), if applicable. If estimated emissions (below) are above the federal *de minimis* levels, but the project is sized to meet only the needs of current population projections that are used in the approved SIP for air quality, then quantitatively indicate how the proposed capacity increase was calculated using population projections.

• The Lead Agency shall provide the estimated project construction and operational air emissions (in tons per year) in the chart below, and attach supporting calculations, regardless of attainment status.

• Also, attach any air quality studies that have been done for the project.

Pollutant	Federal Status (Attainment, Nonattainment, Maintenance, or Unclassified)	Nonattainment Rates (i.e., moderate, serious, severe, or extreme)	Threshold of Significance for Project Air Basin (if applicable)	Construction Emissions (Tons/Year)	Operation Emissions (Tons/Year)
Ozone (O_3)					
Carbon Monoxide (CO)					
Oxides of Nitrogen (NO_x)					
Reactive Organic Gases (ROG)					
Volatile Organic Compounds (VOC)					
Lead (Pb)					
Particulate Matter less than 2.5 microns in diameter ($PM_{2.5}$)					
Particulate Matter less than 10 microns in diameter (PM_{10})					
Sulfur Dioxide (SO_2)					

2. Coastal Barriers Resources Act:
Will the project impact or be located within or near the Coastal Barrier Resources System or its adjacent wetlands, marshes, estuaries, inlets, and near-shore waters? Note that since there is currently no Coastal Barrier Resources System in California, projects located in California are not expected to impact the Coastal Barrier Resources System in other states. If there is a special circumstance in which the project may impact a Coastal Barrier Resource System, indicate your reasoning below.

☐ No - The project will not affect or be located within or near the Coastal Barrier Resources System or its adjacent wetlands, marshes, estuaries, inlets, and near-shore waters, explain:

☐ Yes - Describe the project location with respect to the Coastal Barrier Resources System, and the status of any consultation with the appropriate Coastal Zone management agency and the United States Fish and Wildlife Service:

3. Coastal Zone Management Act:
Is any portion of the project site located within the coastal zone?

☐ No - The project is not within the coastal zone, explain:

☐ Yes - Describe the project location with respect to coastal areas and the status of the coastal zone permit, and provide a copy of the coastal zone permit or coastal exemption:

4. **Endangered Species Act (ESA):**
Does the project involve any direct effects from construction activities, or indirect effects such as growth inducement that may affect federally listed threatened or endangered species or their critical habitat that are known, or have a potential, to occur on-site, in the surrounding area, or in the service area?

• Required documents: Attach project-level biological surveys, evaluations analyzing the project's direct and indirect effects on special-status species, and an up-to-date species list (less than one year old from the United States Fish and Wildlife Service, the California Natural Diversity Database and the California Native Plant Society) for the project area.

☐ No - Discuss why the project will not affect any federally listed special status species:

☐ Yes - Provide information on federally listed species that could potentially be affected by this project and any proposed avoidance and compensation measures so that the State Water Board can initiate informal/formal consultation with the applicable federally designated agency. Explain any previous ESA consultations /coordination conducted with the National Marine Fisheries Service or US Fish and Wildlife Service for the project:

5. Environmental Justice:
Does the project involve an activity that is likely to be of particular interest to or have particular impact upon minority, low-income, or indigenous populations, or tribes?

☐ No - Selecting 'No' means that this action is not likely to be of any particular interest to or have an effect on these populations or tribes, explain:

☐ Yes - If you answer yes, please check at least one of the boxes and provide a brief explanation below:
- ☐ The project is likely to affect the health of these populations.
- ☐ The project is likely to affect the environmental conditions of these populations.
- ☐ The project is likely to present an opportunity to address an existing disproportionate impact of these populations.
- ☐ The project is likely to result in the collection of information or data that could be used to assess potential impacts on the health or environmental conditions of these populations.
- ☐ The project is likely to affect the availability of information to these populations.
- ☐ Other reasons (please describe):

Briefly explain the answer:

6. Farmland Protection Policy Act:
Is any portion of the project located on important farmland?

☐ No - The project will not affect protected farmland. Explain:

☐ Yes - Include information on the acreage that would be converted from important farmland to other uses. Indicate if any portion of the project boundaries is under a Williamson Act Contract and specify the amount of acreage affected:

7. Flood Plain Management:
Is any portion of the project located within a 100-year floodplain as depicted on a floodplain map or otherwise designated by the Federal Emergency Management Agency?

• Required documents: Attach a floodplain map.

☐ No - Provide a description of the project location with respect to streams and potential floodplains:

☐ Yes - Describe the floodplain, and include a floodplains/wetlands assessment. Describe any measures and/or project design modifications that would minimize or avoid flood damage by the project:

8. **National Historic Preservation Act:**
Identify the area of potential effects (APE) with both cartographic and textual descriptions, including construction, staging areas, and depth of any excavation. (Note: the APE is three dimensional and includes all areas that may be affected by the project, including the surface area and extending below ground to the depth of any project excavations).

• **Required documents:** Attach a copy of a Cultural Resources Report prepared by a qualified professional that includes a current records search (less than one year old, extending to a half-mile beyond the project APE), with maps showing all sites and surveys drawn in relation to the project area, records of Native American consultation, and a consultation letter for the State Water Board to use for consultation with the State Historic Preservation Officer.

Summarize the information provided below:

9. **Magnuson-Stevens Fishery Conservation and Management Act:**
Does the project involve any direct effects from construction activities, or indirect effects such as growth inducement that may adversely affect essential fish habitat?

☐ No - Discuss why the project will not affect essential fish habitat:

☐ Yes - Provide information on essential fish habitat that could potentially be affected by this project and any proposed avoidance and compensation measures. Explain any previous consultations/coordination conducted with the National Marine Fisheries Service for the project:

10. Migratory Bird Treaty Act:
Will the project affect protected migratory birds that are known, or have a potential, to occur on-site, in the surrounding area, or in the service area?

☐ No - Provide an explanation below.

☐ Yes - Discuss the impacts (such as noise and vibration impacts, modification of habitat) to migratory birds that may be directly or indirectly affected by the project and mitigation measures to reduce or eliminate these impacts. Include a list of all migratory birds that could occur where the project is located:

11. Protection of Wetlands:
Does any portion of the project boundaries contain areas that should be evaluated for wetland delineation or require a permit from the United States Army Corps of Engineers?

☐ No - Provide the basis for such a determination:

☐ Yes - Describe the affect to wetlands, potential wetland areas, and other surface waters, and the avoidance, minimization, and mitigation measures to reduce such impacts. Provide the status of the permit and information on permit requirements:

12. Safe Drinking Water Act, Sole Source Aquifer Protection:
Is the project located in an area designated by the United States Environmental Protection Agency, Region 9, as a Sole Source Aquifer?

☐ No - The project is not within the boundaries of a sole source aquifer.

☐ Yes - Identify the sole source aquifer (e.g., Santa Margarita Aquifer, Scott's Valley, the Fresno County Aquifer, the Campo/Cottonwood Creek Aquifer or the Ocotillo-Coyote Wells Aquifer) that will be affected:

13. Wild and Scenic Rivers Act:
Identify watershed where the project is located: _____

Is any portion of the project located within a wild and scenic river?

• Required documents: Attach a map if any portion of the project is located within a wild and scenic river watershed.

☐ No - The project will not affect a wild and scenic river. Explain:

☐ Yes - Identify the wild and scenic river watershed and project location relative to the affected wild and scenic river:

Exhibit C

Key Personnel

Jennifer Jacobus, Ph.D.
Senior Managing Associate, ESA Southern CA Water Practice Group
Area of Expertise: Jennifer has over 10 years of experience focusing exclusively on water and wastewater clients and projects throughout Southern California and has a demonstrated track record for successful completion of CEQA/NEPA documents, natural resource permits, and regulatory processes and approvals. Jennifer has managed a full spectrum of water projects, including potable and wastewater treatment plants and distribution systems, recycled water projects, groundwater management/recharge/banking projects, river discharge and diversion projects, and water rights projects. Jennifer has assisted multiple clients in developing CEQA, CEQA-Plus, and joint CEQA/NEPA documents that are appropriate for funding requirements depending on intended funding source and federal agency.

Laura Rocha, CPSWQ, QSD/QSP
Managing Associate, ESA Southern CA Water Practice Group
Area of Expertise: Laura is multi-disciplinary CEQA/NEPA practitioner with over 8 years of experience managing projects for public agencies, including water, energy, community development and transportation projects. Laura has recent experience coordinating with the State Water Resources Control Board staff to prepare and submit SRF grant applications on behalf of water clients in southern California.

Candace Ehringer, RPA
Senior Managing Associate, ESA Southern CA Cultural Resources Group
Area of Expertise: Candace is an archaeologist with 16 years of experience in cultural resource management in California. Candace authors and provides senior level review of documentation in support of CEQA, NEPA and Section 106 compliance. Candace has recent experience working together with Laura Rocha and coordinating with the State Water Resources Control Board staff to prepare and submit SRF grant applications on behalf of water clients in southern California.

EXHIBIT D - BUDGET TABLE
ESA Grant Funding Assistance
Recycled Water Line Phase 2 Project

		Director I	Director II	MA/TA III	MA/TA I	Senior Associate I	Assistant Associate II	Associate I	Project Technician III	Total Hours	Total Labor Price
HOURLY BILLING RATES		$ 205	$ 190	$ 185	$ 155	$ 130	$ 110	$ 95	$ 110		
TASKS											
Task 1	Project Management and SWRCB Coordination	4	4	4	8					20	$ 3,560
Task 2	SRF Environmental Application			2	4	4		8	4	22	$ 2,710
Task 3	Biological					4				4	$ 520
Task 4	Cultural Resources				4		8		2	14	$ 1,720
TOTAL HOURS		4	4	6	16	8	8	8	6	60	
SUBTOTALS FOR LABOR COSTS		$820	$760	$1,110	$2,480	$1,040	$880	$760	$660		
ESA LABOR COSTS											$ 8,510
OTHER COSTS											
- Contingency - 3% fee on labor costs										3%	$ 255
- ESA - Non-Labor Expense											
	Reimbursable Expenses (production/printing, postage/deliveries/mileage)										$ 1,150
	ESA Equipment usage (GIS)										$ 60
										TOTAL CONTRACT PRICE	**$9,975**

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: August 11, 2015 **August 19, 2015**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael J. Mischel, Assistant Executive Director, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. PRWA 2015-006 AUTHORIZING THE SALE OF RECYCLED WATER TO ANY PERSON OR ENTITY OTHER THAN THE AUTHORITY MEMBERS AND TO SET THE PRICE OF THE RECYCLED WATER

Recommendation:
Palmdale Recycled Water Authority (PRWA) staff recommends approving the proposed Resolution No. PRWA 2015-006 authorizing the sale of recycled water to any person or entity other than the Authority members and to set the price of the recycled water.

Background:
A part of the Palmdale Recycled Water Authority's duties is to distribute recycled water for reasonable and beneficial use and to charge fees for recycled water. When the State of California declared a state of emergency and ordered the State Water Resources Control Board to impose restrictions to achieve a statewide 25% reduction in potable urban water usage, local water purveyors activated their mandatory water conservation measures which included the prohibition of temporary construction water use. The Authority has received many requests to provide recycled water for construction purposes and in order to accommodate these requests the Board must approve the sale of recycled water to any other person or entity per the Authority's Joint Powers Agreement.

In addition to the sale of recycled water, the Authority must also approve a rate for the recycled water. In order to expedite the use of recycled water and since a water rate study has yet to be completed, it has been determined that a rate of 75% of the current potable water rate would encourage the use of recycled water and still provide the Authority with reasonable funds to operate the construction water program.

Staff recommends approving the Resolution No. 2015-006, approving the sale of recycled water to any person or entity other than the Authority members and to set the price of recycled water at 75% of the current potable water rate for construction water.

Financial Impact:
No Fiscal Impact

Supporting Documents:
Resolution No. PRWA 2015-006
PRWA Recycled Water Use Checklist
PRWA Recycled Water Use Procedures
PRWA Construction Water Meter Application

RESOLUTION NO. PRWA 2015-006

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY AUTHORIZING THE SALE OF RECYCLED WATER TO ANY PERSON OR ENTITY OTHER THAN THE AUTHORITY MEMBERS AND TO SET THE PRICE OF THE RECYCLED WATER

WHEREAS, The Palmdale Recycled Water Authority was created to study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources, created by the Los Angeles County Sanitation Districts No. 14 and No. 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, and

WHEREAS, providing recycled water is a high priority due to the current drought restrictions imposed by the State of California, and

WHEREAS, the local water agencies have suspended the use of potable water for construction type water uses during the current drought conditions, and

WHEREAS, the Palmdale Recycled Water Authority recognizes the need to provide the public with recycled water for construction water, and

WHEREAS, the Palmdale Recycled Water Authority is required to establish recycled water rates.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Recycled Water Authority:

SECTION 1: The Palmdale Recycled Water Authority hereby agrees and further does authorize the sale of recycled water to any person or entity other than the Palmdale Water District or the City of Palmdale upon application and payment of fees.

SECTION 2: The Palmdale Recycled Water Authority hereby establishes the recycled water rate to be seventy-five percent (75%) of the potable water rate.

SECTION 3: The Clerk of the Authority shall certify to the adoption of this Resolution and enter it into the official records of the Authority.

PASSED, APPROVED and ADOPTED this 19th day of August, 2015, by the following vote:

AYES:_____

NOES:_____

ABSENT:_____ ABSTAIN:_____

_____
James C. Ledford, Jr., Chair

ATTEST:

_____
Rebecca Smith,
Authority Secretary

Approved as to form:

_____
Wm. Matthew Ditzhazy,
Authority Counsel

PALMDALE RECYCLED WATER AUTHORITY

c/o 38300 Sierra Hwy, Palmdale, CA 93550 661-456-1017

Mobile Recycled Water Construction Meter
Document and Training Check List

1) "Procedures for using Recycled Water for Mobile Applications" hand out. _____

2) Discuss procedures. _____

Material handed out to customer will be returned to the PRWA at the end of customer's need of recycled water for construction purposes. Any material not returned or damaged will have cost of said material deducted from deposit.

Quantity

_____ 3" Construction Meter w/ Male and Female Cam Loc end connections.

_____ 2 ½" x 15' Purple Hose w/ Cam Loc end connections.

_____ 14" x 10" Flexible Magnetic Sign "Recycled Water-Do Not Drink"

Company name: _____
Account Number: _____
Meter Number: _____

I have taken possession of above materials and understand the appropriate use of Recycled Water and will follow all standards accordingly.

_____

Authorized Signature Date

_____

PRWA Representative Date

PALMDALE RECYCLED WATER AUTHORITY
c/o 38300 Sierra Hwy, Palmdale, CA 93550 661-456-1017

PROCEDURES FOR USING RECYCLED WATER FOR MOBILE APPLICATIONS

1) All users of recycled water shall practice and conform to current accepted recycled water use standards. Do not drink, wash or use as potable water.

2) Install purple "Recycled Water, Do not drink" sign on the rear of the receiving tank or vehicle. Also install sign on the driver's side of tank or vehicle and as close as practical to cab. These signs should be in place at all times when recycled water is stored or in use.

3) When no longer using Recycled water and or switching to potable water all "Recycled Water" signs shall be removed.

4) All receiving vessels shall have an approved Air Gap being twice the diameter of the fill pipe located at top of tank. Valves and fittings will be leak free as possible.

5) Only hose, construction meter and appurtenances colored purple will be used with Recycled Water. All end connections on said hoses, construction meters, and appurtenances along with the wharf head hydrants on the Recycled Water system will utilize a 2 ½" CamLoc fitting. No other end connections will be used with Recycled Water use. Alteration of end connections will not be allowed.

6) Use of Recycled Water will be limited to street sweeping, soil compaction, consolidation of backfill material around buried pipelines, dust control, mixing of concrete, paving, grading and flushing of sanitary sewer lines. Other appropriate construction uses will require prior approval from the PRWA.

7) Recycled water will not be used for flushing of storm drains, filling of tanks designed for potable water end use or connected in any way to the potable water system. Cross connections are forbidden.

8) Unnecessary Recycled Water use resulting in ponding, runoff or overspray of worksite and non-worksite area shall be prevented.

Use the following links for additional Recycled Water use information:
http://www.publichealth.lacounty.gov/ch/EP/cross_con/cross_con_recycle.htm

http://www.laesd.org/waterreuse/AboutRecycledWater.asp

PALMDALE RECYCLED WATER AUTHORITY

c/o 38300 Sierra Hwy, Palmdale, CA 93550 661-456-1017

Application for Recycled Water Construction Meter

Date: _____

Applicant Name: _____

Company Name: _____

Mailing Address: _____

Tax ID or SS#: _____

Phone Number(s): _____

Email: _____

Project Name: _____

Work Area: _____

Use of Recycled Water: _____

Site Supervisor Name: _____
(Copy of the Site Supervisor Certificate must be attached)

For Authority Use Only

Account #: _____

Meter #: _____

Size/Type: _____

Setup Date/Reading: _____

Completed By: _____

Pickup Date/ Reading: _____

Completed By: _____

Meter Installation Fee: $(TBD)_____
Meter Deposit (refundable): $1,000

Water Use Deposit (TBD):$_____

Total Advance Payment: _____

The undersigned hereby applies for Recycled Water Construction Meter Service commencing on _____, 20_____. The minimum monthly service charge for said service is $267.14 plus the commodity cost at $4.56 per unit **. The service may be discontinued on 24-hour written notice by either applicant or PRWA. Applicant hereby agrees that PRWA will not be responsible for damage to persons, equipment, or property caused by defects of applicant's piping, which will be hereafter connected to the discharge side of the meter or by the occurrence of either high or low pressure or escape of water by leakage from said downstream piping while the meter is in service.

The applicant agrees that the maximum rate of flow to be used on this project will not exceed 250 gallons per minute.

Applicant further agrees to use this construction meter only during the hours of 7:00 a.m. to 5:00 p.m. Monday thru Friday and excluding weekends and holidays.

Applicant understands that the meter under this application is to be used only at the above location determined by PRWA, and water is to be used exclusively for the job indicated under this application.

Applicant herby certifies that they fully understand that the construction meter to be issued under this application is to be used for underground utility construction, dust control, finish grade earthwork, and other uses as approved by PRWA in accordance with current recycled water use standards. The meter is only to be used in conjunction with an air gap providing backflow protection unless otherwise authorized in writing by PRWA.

Any violation of these conditions and/or any act deemed to be construed as unauthorized use of water shall be subject to a $1,000.00 fine imposed per incidence.

Applicant accepts full responsibility for maintaining the construction meter in good repair and operating condition during the period of use and understands that in the event the meter is lost or is inoperable when it is retrieved, the Authority will use that part of the applicable deposit required to either replace or repair the meter as the case may be and then refund any remaining portion of said deposit. ** 75% of current Tier 6 Rate of $6.08.

_____ _____

Authorized Signature (Applicant) Authorized Signature (PRWA Representative)

_____

Title Date