Since 1918

PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
www.palmdalewater.org
Facebook: palmdalewaterdistrict
Twitter: @palmdaleH2O

Board of Directors

ROBERT E. ALVARADO
Division 1

JOE ESTES
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

ALESHIRE & WYNDER
Attorneys

October 22, 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, October 28, 2015

7:00 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) Drought Report-Review of "Water Conservation and Reduction in Water Demand Efforts Report as of September, 2015." (PIO/Conservation Director McNutt)

6) 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.)

6.1) Approval of minutes of regular meeting held October 14, 2015.

6.2) Payment of bills for October 28, 2015.

6.3) Approve absence of Director Estes from October 14, 2015 meeting due to illness. (General Counsel Dunn)

6.4) Approval of 2016 District membership in California Special Districts Association. ($6,089.00 – Budgeted – General Manager LaMoreaux)

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

7.1) Consideration and possible action on ratification of arrangement for Palmdale Water District to temporarily deliver treated water to Antelope Valley-East Kern Water Agency via existing inter-connection located at Rancho Vista Boulevard and Division Street under the Water Treatment and Transportation Agreement between Palmdale Water District and Antelope Valley-East Kern Water Agency. (Assistant General Manager Knudson)

7.2) Consideration and possible action on Salary Survey. (Assistant General Manager Knudson/Human Resources Director Emery/Personnel Committee)

7.3) 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.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

b) Standing Committee/Assignment Reports (Chair):

1) Antelope Valley State Water Contractors Association

2) Outreach Committee

3) Special Finance Committee

4) Palmdale Recycled Water Authority

8.2) Report of General Manager.

a) October, 2015 written report.

8.3) Report of General Counsel.

9) Public comments on closed session agenda matters.

10) Break prior to closed session.

11) Closed session under:

11.1) 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.*

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

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

13) Board members' requests for future agenda items.

14) Adjournment.



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: October 21, 2015 **October 28, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 6.3 – APPROVE ABSENCE OF DIRECTOR ESTES FROM OCTOBER 14, 2015 MEETING DUE TO ILLNESS***

Director Estes was absent from the October 14, 2015 Board Meeting. Agenda Item No. 6.3 has been placed on the Consent Calendar to excuse this absence pursuant to Section 4.07.2 of the District's Rules and Regulations which states, "The Board shall excuse absences by approving such absences pursuant to the Consent Calendar at the next regular Board meeting."

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: October 21, 2015 **October 28, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 6.4 – APPROVAL OF 2016 DISTRICT MEMBERSHIP IN CALIFORNIA SPECIAL DISTRICTS ASSOCIATION.***

Recommendation:

Staff recommends the Board approve the District's 2016 membership in the California Special Districts Association (CSDA) in the not-to-exceed amount of $6,089.00.

Alternative Options:

The alternative is to not approve the District's 2016 membership in CSDA.

Impact of Taking No Action:

The District's current CSDA membership will expire.

Background:

The District has been a member of CSDA for many years. CSDA provides unique professional development opportunities, dedicated advocacy for special districts, legislative updates, state budget analysis, publications and brochures, and project financing services and risk management options.

Strategic Plan Initiative:

This work is part of Strategic Initiative 4 – Regional Leadership.

Budget:

This is under Budget Item No. 1-02-4165-000 Memberships/Subscriptions.

Supporting Documents:

- Memorandum regarding CSDA's 2015 Membership Dues
- 2015 CSDA agency dues invoice

California Special
Districts Association
Districts Stronger Together

RECEIVED
OCT 19 2015

What do you look for from California Special Districts Association?

The high-quality trainings? Dedicated advocacy efforts? Maybe it's the peace of mind knowing that you won't miss out on any critical information that could impact your agency. No doubt about it, special districts in California are a diverse group and each CSDA member turns to the association for different reasons. CSDA exists for one reason – to serve you!

CSDA has been in existence for more than 40 years, but you'll find our value has never been greater than today. With current economic conditions and ongoing budget battles in Sacramento, we are positioned even better than ever to help meet your needs.

How do we do this?

- We offer unique professional development opportunities for board members, managers and staff that help promote strong governance, operational excellence and optimal financial performance of your district.
- We represent all special districts to minimize the risk of political interference from outside groups that can adversely affect your district.
- We promote county and regional chapters to give you opportunities to meet and learn from peers in your area.
- We provide access to a range of project financing services and risk management options to give your district affordable access to critical funding, insurance, and other mission-critical support.

In addition, our members rave about our service. We mean to keep it that way by ensuring that you get a live person and relevant, timely responses every time you call, no matter what you are looking for.

Enclosed is an invoice for your agency's 2016 membership dues. Please renew your membership today. Your continued support is essential to growing the resources and programs to better serve you. If you have any questions about CSDA or your membership benefits, please contact me at 877.924.2732 or cathrinel@csda.net.

Best regards,

Cathrine Lemaire
Member Services Director

Special Renewal Bonus

Renew your CSDA membership before January 5, 2016 and receive access to online AB 1234 Ethics Compliance Training through March 7, 2016. This access gives you and everyone else at your special district required Ethics Training for FREE – just for renewing!

Please note: *Access to Property/Liability and Workers' Compensation programs through SDRMA is a CSDA member benefit. Participants in those programs must maintain current membership in CSDA.*

1112 I Street, Suite 200
Sacramento, CA 95814
Toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
csda.net

California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814
Phone: (916) 442-7887 Fax: (916) 442-7889
Toll-Free Phone: (877) 924-2732

First Invoice

Membership ID: 212
RM-Regular Member

Palmdale Water District
2029 E Avenue Q
Palmdale, CA 93550-4050

(Please note if address correction needed.)

2016 Membership Dues-Regular		6,089.00
	Total	6,089.00

Full payment due no later than January 1, 2016

Thank you for your membership in the California Special Districts Association . We appreciate your prompt payment.

To view dues categories, please visit the CSDA Transparency page at www.csda.net.

OBRA 1993 prohibits taxpayers from deducting, for federal income tax purposes, the portion of membership dues that are allocable to the lobbying activities of trade organization. The nondeductible portion of your dues is estimated to be 8%.

California Special Districts Association
1112 I Street, Suite 200
Sacramento, CA 95814

REMITTANCE STUB

(Please Return)

212	RM-Regular Member	2016 Membership Dues-Regular		6,089.00
			Total	6,089.00

Palmdale Water District
2029 E Avenue Q
Palmdale, CA 93550-4050

CREDIT CARD PAYMENTS - may be submitted by mail or by fax to (916) 442-7889

CIRCLE TYPE: [VISA] [MC] [AMEX] [DISCOVER] EXP: _____
CARDHOLDER NAME: _____ AMOUNT: _____
CARD NUMBER _____ AUTH SIGNATURE: _____
CC BILLING ADDRESS (IF DIFFERENT): _____

You can now renew your dues online!

- Log in at www.csda.net
- Click on your name on the top of the screen
- Near the bottom of the screen under Manage Your Organization's Account click on the link with your district/agency name
- Click on the Blue Button that says Pay Dues Invoice

**You must be the primary contact for the district/agency in order to access your district information.*

If you have any questions or concerns contact CSDA 877.924.2732 or cassandras@csda.net

Here's a Big "Thank you!" for Renewing Membership!

Renew your CSDA membership by **January 5, 2016** and receive access to web-based AB 1234 Ethics Compliance training for your entire Board of Directors. Details are below:

- To take advantage of this offer, your 2016 dues payment must be received in the CSDA office by January 5, 2016.
- Offer applies only to the web-based, on-demand training.
- Access to this training will be available between January 8 and March 7, 2016 only.
- Renewed members will receive access instructions via email on January 8. These instructions will be emailed to everyone within your agency with an email address on file.
- Please contact Cassandra Strawn, Member Services Specialist, with any questions regarding your invoice or this special offer: cassandras@csda.net or 877.924.2732.

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: October 21, 2015 **October 28, 2015**

TO: BOARD OF DIRECTORS **Board Meeting**

FROM: Mr. Matthew R. Knudson, Assistant General Manager

VIA: Mr. Dennis D. LaMoreaux, General Manager

RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON RATIFICATION OF ARRANGEMENT FOR PALMDALE WATER DISTRICT TO TEMPORARILY DELIVER TREATED WATER TO ANTELOPE VALLEY-EAST KERN WATER AGENCY VIA EXISTING INTER-CONNECTION LOCATED AT RANCHO VISTA BOULEVARD AND DIVISION STREET UNDER THE WATER TREATMENT AND TRANSPORTATION AGREEMENT BETWEEN PALMDALE WATER DISTRICT AND ANTELOPE VALLEY-EAST KERN WATER AGENCY.***

Recommendation:

Staff recommends the Board:

1) Ratify the mutual understanding and arrangement with Antelope Valley-East Kern Water Agency (AVEK) to assist Los Angeles County Waterworks District 40 (Waterworks) with a temporary potable water supply via the existing inter-connection located at Rancho Vista Boulevard and Division Street under the following conditions:

    a. Utilize the existing terms and conditions with the AVEK/PWD Agreement dated August, 2011.
    b. Same unit cost under the existing Agreement shall apply for treated water delivered to Rancho Vista Boulevard and Division Street inter-connection.
    c. Maximum flow rate of 2,000 GPM.
    d. Maximum volume of 300 Acre Feet over a 30-day period.
    e. AVEK shall return 110% of the quantity of water delivered to Rancho Vista Boulevard and Division Street to Lake Palmdale within 30 days of the State Water Project being back on-line.
    f. The supply can be interrupted at any time.

2) Authorize the General Manager to carry out the temporary arrangement and assist as needed without impacting PWD customers and/or ability to meet our operational needs.

Background:

In August, 2011, the District and AVEK entered into an Agreement, whereby the District agreed to provide transportation and treatment services to AVEK of AVEK's State Water Contractor Table "A" Allocation. On an as needed basis, AVEK schedules the delivery of their State Water Project water to Lake Palmdale, the District treats the water through the Leslie O. Carter Water Treatment Plant, and delivers said water to AVEK's existing Acton Water Treatment Plant through an inter-connection constructed under the original Agreement. Section 16 of the Agreement provides that in the event of an emergency caused by a flood or storm, each party shall aid the other party by supplying water through its facilities to the party encountering the emergency.

On October 20, 2015, Los Angeles County Waterworks District 40 (Waterworks) contacted District staff and requested assistance in providing them with potable water supply due to an unforeseen interruption of their water supply. The recent storm activity in the Antelope Valley caused an inflow of mud and debris into the East Branch of the State Water Project near 70th Street West. The inflow of debris and mud has forced the Department of Water Resources to isolate the affected reach of the aqueduct to perform clean-up and repairs. This temporary shut-down has interrupted AVEK's operation to treat water through their Quartz Hill Water Treatment Plant, causing water supply deficiencies to the Waterworks service area in west Palmdale.

District staff has analyzed the impact of Waterworks request and can temporarily accommodate said request with the conditions outlined above without impacting our customers and/or operation.

Budget:

The water delivered under this agreement will be charged at the current unit rate that exists under the August, 2011 Water Treatment and Transportation Agreement between PWD and AVEK.

Strategic Plan Element:

This work is part of Strategic Initiative No. 4 – Regional Leadership

Supporting Documents:

- August, 2011 Water Treatment and Transportation Agreement between PWD and AVEK
- October 20, 2015 A.V. Press article "Cracked channel clogged by mud"

WATER TREATMENT AND TRANSPORTATION AGREEMENT

BETWEEN PALMDALE WATER DISTRICT

AND ANTELOPE VALLEY-EAST KERN WATER AGENCY

(ACTON – WATER TREATMENT PLANT)

THIS WATER TREATMENT AND TRANSPORTATION AGREEMENT (the "Agreement") is entered into this 10th day of August, 2011 (the "Effective Date"), by and between the Palmdale Water District, an irrigation district formed under Division 11 of the California Water Code ("PWD"), and Antelope Valley-East Kern Water Agency, a special act agency formed under the Antelope Valley-East Kern Water Agency Law, Chapter 98 of the California Water Code - Appendix ("AVEK"). PWD and AVEK shall be referred to jointly as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, AVEK has a contract with the Department of Water Resources of the State of California to obtain water through the California Aqueduct as part of the State Water Project (the "SWP");and

WHEREAS, AVEK desires to put to beneficial use the water supply it is able to acquire through the SWP; and

WHEREAS, AVEK contemplates meeting its obligations to provide a supply of water to its Acton service area by transporting water supplies conveyed by the SWP for delivery to PWD's existing 48-inch diameter raw water line ("Palmdale Ditch"), to subsequently be temporarily stored in Lake Palmdale and treated at PWD's Leslie O. Carter Water Treatment Plant, for eventual distribution to AVEK's customers through AVEK's distribution system; and

WHEREAS, PWD has a treatment plant and transportation system that currently has available capacity that could be utilized until such time as PWD's customer demands render PWD's treatment plant and transportation system unable to treat and transport to AVEK a portion of AVEK's water supply from the SWP; and

WHEREAS, the Parties desire to establish the terms and conditions under which PWD will treat and transport water AVEK obtains from the SWP for delivery to AVEK's Acton service area,

NOW, THERFORE, it is mutually agreed as follows:

1. Design and Construction of Required Raw Water Facilities. Promptly upon execution of this Agreement, AVEK will commence designing, obtaining all required permits related to, performing all actions to comply with the California Environmental Quality Act ("CEQA") in regards to, and constructing

the raw water facilities necessary to deliver AVEK's SWP water to PWD's existing Palmdale Ditch located at Sierra Highway, approximately 1,500 feet south of Barrel Springs Road. The proposed raw water facilities shall include all pipelines, valves, meter, appurtenances, and connection to PWD's existing 48-inch diameter raw water conveyance pipeline. PWD shall reasonably cooperate with AVEK in providing any existing plans or maps and related information pertaining to any PWD facilities to be impacted by the raw water facilities contemplated to be constructed under this Agreement. The raw water facilities shall be designed and constructed to provide for metered flow capacity of 3,055 gallons per minute or 4.4 million gallons per day. AVEK shall be responsible for all costs associated with such design, permitting, CEQA compliance and construction activities, and shall indemnify PWD against and hold PWD harmless from any such costs or claims arising there from.

2. Ownership of Raw Water Facilities. Upon completion, AVEK shall own, operate and maintain the raw water facilities constructed hereunder up to the point of connection with PWD's existing Palmdale Ditch.

3. Design and Construction of Connection and Required Potable Water Facilities. Promptly upon execution of this Agreement, AVEK will commence designing, obtaining all required permits related to, performing all actions to comply with the California Environmental Quality Act ("CEQA") in regards to, and constructing the metered potable water connection between PWD's distribution system and AVEK's system and any required extension of PWD's facilities to connect PWD's distribution facilities situated in Sierra Highway at Barrel Springs Road to AVEK's Acton Water Treatment Plant (the "Primary Point of Inter-Connection"). The proposed pipeline diameter in Sierra Highway shall not exceed 20-inches.PWD shall reasonably cooperate with AVEK in providing any existing plans or maps and related information pertaining to any PWD facilities to be impacted by the potable water facilities contemplated to be constructed under this Agreement. The metered potable water connection and proposed pipeline extension shall be designed and constructed to provide for metered flow capacity of 2,750 gallons per minute or 4 million gallons per day at the Primary Point of Inter-Connection. AVEK shall be responsible for all costs associated with such design, permitting, CEQA compliance and construction activities, and shall indemnify PWD against and hold PWD harmless from any such costs.

4. PWD Standards and Specifications; PWD Review and Approval of Design and Permit Documents. All potable water facilities referred to herein shall be designed and constructed in accordance with PWD's standards and specifications. PWD shall review, inspect, and approve all: (a) designs, drawings and specifications at the conceptual, 50%, 90%, and 100% stages, (b) permits required by any governmental or private entity pertaining to any work to be completed under this Agreement (e.g., Los Angeles County Encroachment Permit, Union Pacific Railroad permits, and permits or approvals required by the Department of Water Resources), and (c) construction activities associated with the installation of the metered connection and extension of PWD potable water facilities required under this Agreement. AVEK shall reimburse PWD for all staff time associated with said inspection.

5. Ownership of Metered Potable Water Connection and Potable Water Facilities. Upon completion and acceptance by PWD, PWD shall own the metered potable water connection and all

potable water facilities constructed hereunder, subject to AVEK's paramount right to use for the duration of this Agreement of 4 million gallons per day of capacity in PWD's distribution system, from the Leslie O. Carter Water Treatment Plant to the Primary Point of Delivery. PWD shall be responsible for the operation, maintenance, repair and replacement of such connection and potable water facilities.

6. Easement for PWD Potable Water Facilities. Upon the completion and approval by PWD of all plans for facilities which PWD shall own pursuant to Section 4, above, subject to review and approval by PWD and its legal counsel, AVEK shall prepare, grant, and record any easements to PWD for the installation, operation, and maintenance of the proposed meter vault and any other facilities to be installed hereunder that will be located within AVEK property.

7. Term; Termination. This Agreement shall terminate on December 31, 2035. Notwithstanding the foregoing, the Agreement may be earlier terminated in the event of a material breach of this Agreement by a Party which remains uncured for fourteen (14) days after the receipt of written notice of such breach from the non-breaching party. In the event that breach is not curable within such fourteen (14) day period, the non-breaching party's failure to cure that breach shall not give rise to termination of this Agreement so long as the non-breaching Party has commenced taking commercially reasonable steps to diligently pursue cure of the breach. In the event AVEK breaches the Agreement by failing to timely pay for SWP water treated and delivered hereunder, it shall be responsible for payment for all water delivered hereunder through the date of the actual termination of the Agreement.

8. Water Quality. PWD shall treat all water to be provided to the metered potable water connection hereunder to a quality that complies with all applicable federal, state and local regulatory water quality requirements pertaining to the production and transmission of water for potable use at the metered connection.

9. Water to be Provided. AVEK shall notify PWD in writing, pursuant to Section 19, below, including by e-mail, of its intention to take delivery of water to be provided hereunder. Such notice shall specify the estimated monthly and annual amount of water in acre-feet desired, and the peak rate of delivery, not to exceed 4 million gallons per day. AVEK shall provide such notice as to water to be scheduled for treatment and delivery in the two years following the immediately ensuing year. Upon receipt of such notice from AVEK, PWD shall determine whether the capacity to meet the water treatment and delivery request will be available in PWD's treatment and distribution system, or the extent of the capacity if less than the request.PWD shall notify AVEK within 90 days as to the available treatment and delivery capacity.

10. Water Losses. In order to account for water losses through Lake Palmdale, the Leslie O. Carter Water Treatment Plant, and PWD's distribution system, AVEK shall schedule and deliver to the PWD Palmdale Ditch, one hundred and ten percent (110%) of the amount of water that it intends to purchase from and actually have delivered by PWD pursuant to this Agreement.

11. Additional Facilities. It is intended herein that PWD's distribution facilities and the metered potable water connection to be installed hereunder shall be available to serve AVEK for the full term of the Agreement, and PWD shall use its best efforts to maintain its overall system capacity as to meet the demands of AVEK, together with other PWD customers as said PWD customers' demands may increase during the term of the Agreement. Because available capacity in PWD's distribution system is expected to diminish over the term of the Agreement, such capacity may be augmented by such additional facilities as may be mutually agreed upon by AVEK and PWD to maintain the provision of water hereunder, and the parties shall also mutually agree as to the allocation of the costs of such additional facilities.

12. SWP Water Provided Hereunder. All SWP water PWD delivers to AVEK pursuant to this Agreement shall be attributed to AVEK's State Water Contractor annual allocation of Table "A" water, and shall not reduce PWD's Table "A" water allocation.

13. Capital Improvement Fee. AVEK shall pay to PWD the applicable Capital Improvement Fee of $1,373,696.00 based on a 12-inch meter and as determined under PWD's current Capital Improvement Fee Policy. Within forty-five (45) calendar days of the execution of this Agreement, AVEK shall pay 50% of the Capital Improvement Fee and the remaining 50% prior to the start of any construction of the facilities identified in this agreement.

14. Water Charges.

A. Unit Charges. PWD will each month record the volume of water delivered to AVEK through the primary metered connection, and render to AVEK a statement of the charges therefore, as determined in accordance with this section. For each acre foot so delivered, the "Unit Charge" shall be comprised of the following factors:

1. PWD's General and Administrative expense
2. PWD's Treatment expense
3. PWD's Transportation expenses

An example of the initial Unit Charge and how it was calculated is attached hereto as Exhibit A.

B. Determination of Amount of Unit Charge. The Unit Charge shall be established each March by PWD, to take effect May 1 of each year and the Unit Charge shall be used to compute the statements of charges for water delivered to AVEK during the ensuing 12 months. PWD shall give AVEK written notice of the Unit Charge approved by PWD's Board of Directors on or before March 31 of each year, and AVEK shall have fourteen (14) days from the date of such notice to file a written objection with PWD if AVEK disagrees with the amount of the Unit Charge. If AVEK objects to the Unit Charge, the parties shall meet and confer to attempt to resolve AVEK's objection, and may submit the matter to mediation with a mutually agreeable dispute resolution service if they are not able to resolve the objection through that meet and confer process. The delivery of treated water will be suspended on May 1 if a resolution is not reached.

C. Measurement and Reporting of Amounts Provided. The amount of water provided at the metered potable water connection shall be measured by the meter installed at that connection. PWD shall read the potable water meter installed at the connection and the raw water meter on a monthly basis and shall report all water deliveries through both meters to AVEK by tenth (10^{th}) day of the month following the month of such water deliveries. If within seven (7) days after receipt of such a report of water deliveries, AVEK disputes the accuracy of the reported water deliveries, the parties shall meet and confer to determine the accuracy of the subject report. The parties may thereafter test the meter to determine the accuracy of the meter. If the quantity of water recorded by the meter measures above 105 percent, or below 95 percent, of the actual water passing through the meter, then the report shall be adjusted accordingly and the parties shall equally divide all costs incurred in testing the meter. If the meter is found to be accurate, i.e., if the quantity of water recorded by the meter does not measure above 105 percent, or below 95 percent, of the actual water passing through the meter, then AVEK shall bear all costs incurred in testing the potable water meter. If AVEK does not dispute the report within seven (7) days of receipt, the quantities set forth on the report are deemed correct and AVEK waives any right to later dispute that report as a result of water deliveries reported through that report.

15. Payment of Water Charges. AVEK shall pay each monthly statement of charges upon presentation, and such statement shall become delinquent if not paid within thirty (30) days after the date of the invoice. In the event of late payment, interest shall accrue at the rate of eight percent (8%) per annum.

16. Emergencies. PWD or AVEK may encounter emergencies on their respective systems whereby either Party may be unable to fulfill its consumers' demands because of emergency disruptions of the facilities necessary to supply, transport, and deliver water to its consumers. To the extent possible, each Party shall aid the Party encountering the emergency by supplying water through its facilities to the Party encountering the emergency. To the extent the emergency service is provided by either Party to the other, within thirty (30) days after the end of the emergency giving rise to the need for such water, the receiving Party shall return water to the other party in the same quantity and quality that was delivered to it during such emergency. In the event additional facilities are required to provide emergency water supply, the costs of any additional facilities shall be borne by the Party receiving the benefits of those facilities. Both AVEK and PWD shall make every effort to minimize the costs of providing such emergency service to the other Party, and to the extent practicable shall provide plans and cost estimates to the Party receiving emergency service for its approval prior to incurring any expense for additional facilities. For purposes of this Agreement, the term "emergency" shall mean a condition of disaster or calamity arising within a Party's area of operation caused by fire, flood, storm, earthquake, terrorist act, extended electrical power outage, civil disturbance or other condition that adversely impacts a Party's ability to receive or transmit water from any source, which condition is or is likely to be beyond the control of the services, personnel, equipment and facilities of a Party and requires the assistance contemplated above. Notwithstanding the foregoing definition, this section shall also apply to any other situation where a Party determines a need for short-term additional water supplies.

17. Suspension of Agreement during Maintenance of Facilities. PWD may temporarily discontinue or reduce the amount of water to be furnished to AVEK hereunder for purposes of maintaining, repairing, replacing, investigating or inspecting any of the facilities necessary for the furnishing of such water to AVEK. Insofar as practicable, PWD will give AVEK notice in advance of any such discontinuance or reduction, except in emergencies. In the event of such discontinuance or reduction, PWD will attempt to make available upon resumption of service, to the extent available, the quantity of water that would have been available to AVEK in the absence of such discontinuance or reduction.

18. Indemnification. In the event of a liability, claim, demand, action or proceeding, of whatever kind or nature, arising out of the provision of water under this Agreement, the Party who receives any such water agrees to indemnify and hold harmless, to the fullest extent of the law, the Party who supplies such water, except to the extent the liability, claim, demand, action or proceeding results from the negligence or willful misconduct of the Party who supplies such water. Such indemnification shall include indemnity for all claims, demands, liability, damages, and costs, including reasonable attorneys' fees and other costs of defense.

19. Notice. Any and all notices or other communications which the parties shall be required or may elect to provide to another party pursuant to this Agreement shall be in writing unless otherwise so agreed. Any notice or communication hereunder shall be personally delivered, telecopied (receipt confirmed) or sent by certified or registered mail, postage prepaid, return receipt requested, or sent by overnight courier service providing evidence of delivery to the other party at the applicable address set forth below:

If to PWD:

Palmdale Water District
Attention: General Manager
2029 East Avenue Q
Palmdale, California 93550
Telephone: (661) 947-4111
Fax: (661) 947-8604

If to AVEK:

Antelope Valley-East Kern Water Agency
Attention: General Manager
6500 West Avenue N
Palmdale, CA 93551
Telephone: (661) 943-3201
Fax: (661) 943-3204

20. No Guarantee. Except as set forth in Section 2, above, no provision of this Agreement shall be interpreted as constituting or creating any guarantee of continuous pressures or flows.

21. Amendment. This Agreement may be amended or modified at any time with respect to any provision only by a written instrument executed by the parties hereto.

IN WITNESS WHEREOF, PWD and AVEK have caused this Agreement to be executed by their duly authorized officers as of the date first written above.

PALMDALE WATER DISTRICT

BY: _____
Gordon Dexter, President

ANTELOPE VALLEY-EAST KERN WATER AGENCY

BY: _____
George M. Lane, President

EXHIBIT "A"

2011 - PWD WHOLESALE WATER RATE CALCULATION FORM

AVEK Turnout (Acton WTP)

2011 Treatment Rate

2010 Personnel Expenses (see attached treatment worksheet):	$	914,314.71
2010 Operating Expenses (see attached treatment worksheet):	$	668,815.33
2010 GAC Expenses:	$	1,020,141.00
Total Treatment Costs (Fac. & Labor):	$	2,603,271.04
2010 Treated Water (ac.-ft.):		11,991.00
2011 Treatment Rate ($/ac.-ft.):	2 $	*217.10*

2011 Transportation Rate *(based on SCE tests)*

2950' Boosters ($/ac.-ft.):	$	36.58
2011 Transportation Rate ($/ac.-ft.):	3 $	*36.58*

2011 Administration Cost *(based on 10% of Treatment and Transportation Rate)*

2011 Administration Cost ($/ac.-ft.):	4 $	*25.37*
2011 Treated and Delivered AVEK State Water ($/ac.-ft.):	(sum 2-4) $	*279.05*

Date Prepared: May 10, 2011

Prepared By: M. Knudson

Cracked channel clogged by mud

By: Charles F. Bostwick



PALMDALE - Authorities confirmed Monday that Thursday's flash flood that damaged dozens of homes in west Palmdale, west Lancaster and Quartz Hill also blocked the California Aqueduct with mud.

A California Department of Water Resources spokesman said Monday that he didn't know what, if any, damage had been done to the aqueduct structure, but a photograph showed a large crack in the concrete in one part of the channel lining west of 60th Street West.

"A lot of mud clogged things up and it's being cleared," said Ted Thomas, chief of the department's media and public information branch.

Thomas said he didn't know if any water overflowed from the aqueduct after the blockage, but said that little water has been flowing in the aqueduct because of California's drought. Silverwood Lake in San Bernardino County holds water to supply downstream users, he said.

Meanwhile, a Los Angeles County Department of Public Works spokesman said homes in eight canyon areas in the Lake Hughes, Green Valley, Leona Valley and Elizabeth Lakes area have been confirmed affected by floods and mudslides. None of them suffered structural damage severe enough to be declared unsafe for occupation, however.

"We expect inspections to continue through the week," Public Works spokesman Steven Frasher said.

Lancaster officials upped to 15 the number of homes they know of that suffered significant flooding in three west Lancaster neighborhoods between about 60th and 71st street west, between Avenue L and Columbia Way (Avenue M). A complete report on damage is being prepared and probably will be presented at the Oct. 27 City Council meeting, City Manager Mark Bozigian said.

Palmdale officials said they are still compiling information on damaged homes in west Palmdale, but believe there are about 10 in neighborhoods near 60th Street West and Avenue N.

Other homes are believed to have been flooded in Quartz Hill, but county building inspectors had not yet visited that area as of Monday.

Los Angeles County supervisors at the urging of Supervisor Michael D. Antonovich are expected to vote today to declare a local emergency. Palmdale City Council members are also expected to vote on an emergency declaration.

Antonovich spokesman Tony Bell urged people whose Los Angeles County property suffered damage in the storm to fill out a disaster assessment survey. Go to www.lacounty.gov/elnino and click on the link for "Damage Assessment Survey" located under the blue header "Info for Affected Homeowners." People can also call 211, Bell said.

The survey will help county officials collect damage information and costs and will be used to determine if enough disaster damages have occurred to qualify for disaster assistance, based on the total amount of damages countywide, officials said.

County officials said Sunday evening that they had reopened Elizabeth Lake Road from Godde Hill Road to Lake Hughes Road, Godde Hill Road from the Palmdale city limit to Elizabeth Lake Road, San Francisquito Canyon Road from Elizabeth Lake Road to Dry Gulch Road, Bouquet Canyon Roadfrom Elizabeth Lake Road to north of Vasquez Canyon Road and Spunky Canyon Road from San Francisquito Canyon Road to Bouquet Canyon Road.

They said county Public Works crews were continuing efforts to reopen Munz Ranch Road between Elizabeth Lake Road and Lancaster Road and Lake Hughes Road from Elizabeth Lake Road to Dry Gulch Road. There was no estimate on when those two roads might reopen.

To share your opinion on this article or any other article, write a letter to the editor and email it to editor@avpress.com or mail it to Letters to Editor, PO Box 4050, Palmdale, CA 93590-4050.

cbostwick@avpress.com

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, SEPTEMBER 17, 2015.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, September 17, 2015, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Hogan called the meeting to order at 6:33 p.m.

1) **Pledge of Allegiance.**

Chair Hogan led the pledge of allegiance.

2) **Roll Call.**

Attendance:	**Others Present:**
Barbara Hogan, Chair	Tom Barnes, Controller
Robert Alvarado, Vice Chair	Travis Berglund, LCID Manager
Neal Weisenberger, Secretary	Dwayne Chisam, AVEK Asst. General Mngr.
Leo Thibault, Treasurer-Auditor	Danielle Henry, Administrative Assistant
Kathy Mac Laren, Cmsnr.	0 members of the public
Keith Dyas, Cmsnr.	
	Matt Knudson, AVSWCA General Mngr.-- EXCUSED ABSENCE

3) **Public Comments for Non-Agenda Items.**

There were no public comments.

4) **Consideration and Possible Action on Minutes of Regular Meeting Held August 13, 2015.**

It was moved by Commissioner Weisenberger, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held August 13, 2015, as written.

5) **Payment of Bills.**

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received from Palmdale Water District in the amount of $241.99 for staff

services, from AVEK in the amount of $548.01 for staff services, and from ACWA/JPIA in the amount of $2,183.00 for the 2015/2016 Policy Year deposit premium. The motion was seconded by Commissioner Alvarado and unanimously carried by all members of the Board of Commissioners present at the meeting after which Commissioner Thibault stated that he will be inquiring with JPIA on potential rebates due to the Association.

6) Discussion and Possible Action on the Recommendation of the Member Agencies General Managers Regarding Regional Leadership of Water Conservation Efforts. (General Manager Knudson)

After a discussion of the Antelope Valley Water Conservation Coalition's efforts, of AVEK's Board's approval of the AVSavesWater.com website, of the website development costs and member agency breakdown according to State Water Project Table A allocations, and of the additional features included with the initial development and monthly website costs, Commissioner Alvarado stated that the Palmdale Water District Board considered this item and determined that PWD will not be able to contribute to the AVSavesWater.com website due to necessary budget cuts but are in full support of the 2015 Smart Landscape Expo.

Chair Hogan recommended that this item remain on the agenda to allow time for the Littlerock Creek Irrigation District Board to consider.

7) Discussion and Possible Action on 2015 Sustainable Landscape Expo with AVEK as the Lead Agency. (Commissioner Weisenberger/Controller Barnes)

Commissioner Weisenberger stated that the 2015 Landscape Expo expenses are comparable to last year's Expo budget; that the Expo billboards are ready to be displayed; that AVEK continues to work on the program, exhibitors and demos for the Expo; that AVEK is holding a Water Conservation Committee meeting on September 18 at 9 a.m.; that the next Antelope Valley Water Conservation Coalition meeting is on October 7 at 8:30 a.m.; and that he would appreciate the attendance of staff with decision making authority from PWD and LCID at the upcoming meetings after which the attending representative from PWD, swimming pool water incentives, Expo promoting, and a potential AVEK newsletter containing minutes from the Water Conservation Committee meetings and the Antelope Valley Water Conservation Coalition meetings were discussed.

8) Report of General Manager.

a) **Update on Revenue, Expenditures and Change in Net Position.**

Controller Barnes provided a brief update of the Association's Revenue, Expenditures and Change in Net Position and the Budget status report after which he stated that the Association's finances are on track.

b) **Update on Antelope Valley Integrated Regional Water Management Planning (AVIRWMP) Stakeholders Meetings.**

Controller Barnes reported that the AVIRWMP Advisory Team is scheduled to meet in early October to discuss new projects, Proposition 1 funding, and schedule the next stakeholders meeting for November.

c) **Update on Status of Agreement Related to Regional Control of Water from the State Water Project.**

Controller Barnes then reported that a letter and draft agreement requesting regional control of water from the State Water Project has been sent to the Department of Water Resources and that staff is hoping to receive a response in the near future after which Commissioner Thibault requested that an executive summary be prepared by staff or the member agencies attorneys when the final agreement is done.

9) **Report of Controller.**

a) **Update on Fremont Valley's Integrated Regional Water Management Plan and Funding.**

Controller Barnes provided a presentation on the Fremont Valley Basin Integrated Regional Water Management Plan (IRWMP), including the background, grant funding, and next steps of the project, and after a brief discussion of Fremont Valley's first IRWMP meeting attendance and the next scheduled meeting, the Commissioners thanked Controller Barnes for the presentation.

10) **Reports of Commissioners.**

Commissioner Weisenberger reported that the Antelope Valley Water Partners are hosting a Smart Landscaping Workshop at Antelope Valley College on September 19 at 9:00 a.m. and that the Antelope Valley Resource Conservation District is providing a presentation at the next Antelope Valley Board of Trade luncheon on September 22 at 11:30 a.m.

Commissioner Mac Laren reported that she will be attending the California Special Districts Association Annual Fall Conference in Monterey on September 21-24 where PWD will be presented Transparency and District of Distinction Certificates.

Commissioner Thibault inquired on the interest of solar farm companies attending the Antelope Valley Water Conservation Coalition meetings after which Commissioner Weisenberger stated that invitations are extended to anyone that shows interest but none has been received from that group at this time and that one of the greatest accomplishments to come from the Coalition meetings is the development of a sod disposal site for the City of Lancaster.

11) **Report of Attorney.**

No attorney was present.

12) **Commission Members' Requests for Future Agenda Items.**

It was determined that "Discussion and possible action on 2015 Smart Landscape Expo with AVEK as the Lead Agency" remain on future agendas as a standing item, that "Discussion and possible action on the recommendation of the member agencies general managers regarding regional leadership of water conservation efforts" be carried over on the next meeting agenda, and that "Update on the California Water Fix" be added to the next agenda.

There were no further requests for future agenda items.

13) Consideration and Possible Action on Scheduling the Next Association Meeting.

It was determined that the next regular meeting of the Association will be held October 15, 2015 at 6:30 p.m. at PWD.

14) Adjournment.

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned at 7:38 p.m.

Secretary

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, OCTOBER 7, 2015:

A meeting of the Finance Committee of the Palmdale Water District was held Wednesday, October 7, 2015, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order at 10:31 a.m.

1) **Roll Call.**

Attendance:	**Others Present:**
Finance Committee:	Dennis LaMoreaux, General Manager
Gloria Dizmang, Chair	Mike Williams, Finance Manager
Vincent Dino, Committee Member	Dennis Hoffmeyer, Accounting Supervisor
	Bob Egan, Financial Advisor
	Danielle Henry, Administrative 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 September 3, 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 September 3, 2015, as written.

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

Financial Advisor Egan stated that cash increased due to capital improvement fees and assessments received; that the next few months will show a decrease due to typical operating expenditures; that matured cds have been replaced; and then

reviewed the cash flow statement, expenditures related to grant funding, anticipated assessments, reduced water revenues, the projected year-end balance, and stressed the importance of maintaining at least a $10 million cash balance as the 2016 Budget is considered.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for August 31, 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 August 31, 2015 and then stated that most departments are operating at or below the targeted expenditure percentage of 67%. He then reviewed line items over-budget followed by discussion of the completed meter replacement project, year-to-date Other Operating Revenue, reduced water sales, and the necessity of the Drought Surcharge Fee.

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

General Manager LaMoreaux reviewed the status of approved 2015 engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed, budgeted projects but not yet committed with these projects listed in order of priority, payments for projects funded from the Water Revenue Series 2013A Bonds, and payments from District funds for the preliminary design and CEQA work for the Palmdale Regional Groundwater Recharge & Recovery Project followed by discussion of projects that may be postponed to the 2016 Budget, GAC payments, the upcoming shutdown of the water treatment plant, and reduction of the level of Palmdale Lake to make room for anticipated El Nino rainfall.

4.5) Discussion and Review of 2016 Budget. (Finance Manager Williams)

Finance Manager Williams stated that staff is reviewing 2016 Budget submissions from Department Managers and that preliminary revenue projections are at $1.2 million for new projects and/or expenditures.

Chair Dizmang inquired about current reserves after which Finance Manager Williams stated that staff concurs with Financial Advisor Egan to maintain the current cash balance of $10 million by year-end; that the draft 2016 budget includes a 5.5% water

rate increase, which provides a $9.8 million cash balance at 2016 year-end; that the 2015 Budget was based on selling 18,800 acre feet of water, which will fall short due to drought conditions; that the 2016 Budget is based on 16,500 acre feet; and that from a revenue standpoint, a 5.5% water rate increase for the 2016 Budget is necessary.

Reviewing a more detailed 2016 Budget at a Special Finance Committee meeting was then discussed, along with the $5 million needed in reserves for Littlerock Dam leaving a reserve of $6 million, and it was determined that a Special Finance Committee meeting be scheduled for October 19, 2015 at 10:30 a.m.

5) Information Items.

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

Financial Advisor Egan stated that the District continues to meet the Debt Service Coverage, which is now 1.27, and the 2016 Budget must project 1.1 or more to continue to meet the Debt Service Coverage.

5.2) Other.

Finance Manager Williams stated that there are now 481 participants in the Rate Assistance Program.

General Manager LaMoreaux then stated that over 400 water waste fines have been issued with over 20 appeals received.

There were no additional information items.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 11:15 a.m.

Chair