

**AVSWCA**

Antelope Valley State Water Contractors Association

www.avswca.org**COMMISSIONERS***Chair*

BARBARA HOGAN

Vice Chair

ANDY RUTLEDGE

Secretary

LEO THIBAUT

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KEITH DYAS

Commissioner

KATHY MAC LAREN

Commissioner

ROBERT ALVARADO

*Commissioner***OFFICERS**

MATTHEW R. KNUDSON

General Manager

TOM BARNES

Controller

DAWN DEANS

Executive Assistant

February 11, 2013

***Agenda for the Regular Meeting of the
Commissioners of the Antelope Valley State Water Contractors
Association to be held at the Palmdale Water District's office
at 2029 East Avenue Q, Palmdale***

Thursday, February 14, 2013***6:30 p.m.***

NOTE: To comply with the Americans with Disabilities Act, to participate in any Association meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to an Association 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 Palmdale Water District's office located at 2029 E. Ave. Q, Palmdale. 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 Association 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) Public comments for items not on the agenda.
- 4) Consideration and possible action on minutes of special meeting held October 18, 2012.
- 5) Payment of bills.

- 6) Consideration and possible action on election of officers.
- 7) Ratification of Professional Services Agreement with RMC Water and Environment for Proposition 1E, Round 2 Stormwater Flood Management Grant Application for the Littlerock Dam Sediment Removal Project. (General Manager Knudson)
- 8) Consideration and possible action on continuation of the Cooperative Water Resources Program Agreement between AVSWCA and the United States Geological Survey (USGS) during the period November 1, 2012 to October 31, 2013. (General Manager Knudson)
- 9) Consideration and possible action on In-Lieu Water Banking Agreements between the Antelope Valley State Water Contractors Association, AVEK, and Tejon Ranch. (Controller Barnes)
- 10) Consideration and possible action on regional control of water from the State Water Project. (General Manager Knudson)
- 11) Report of General Manager.
- 12) Report of Controller.
- 13) Reports of Commissioners.
- 14) Report of Attorney.
- 15) Commission members' requests for future agenda items.
- 16) Consideration and possible action on scheduling the next Association meeting.
- 17) Adjournment.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION COMMISSION MEMORANDUM

DATE: February 11, 2013

February 14, 2013

TO: AVSWCA Commissioners

Commission Meeting

FROM: Matthew R. Knudson, General Manager

RE: *AGENDA ITEM NO. 5 – PAYMENT OF BILLS*

Recommendation:

Staff has reviewed and recommends approving payment of the attached invoice from the Palmdale Water District in the amount of \$188.34. This invoice includes labor charges for Matthew Knudson (General Manager) Dawn Deans (Executive Assistant) for the period of December 2, 2012 through December 15, 2012.

Staff has reviewed and recommends approving payment of the attached invoice from the Palmdale Water District in the amount of \$63.18. This invoice includes labor charges for Dawn Deans (Executive Assistant) for the period of December 30, 2012 through January 12, 2013.

Staff has reviewed and recommends approving payment of the attached invoice from the Antelope Valley East Kern Water Agency in the amount of \$1,114.16. This invoice includes labor charges for Tom Barnes (Controller) for the periods of September 1, 2012 through January 31, 2013.

Staff has reviewed and recommends approving payment of the attached invoice from the Association of California Water Agencies (ACWA) in the amount of \$1,625.00 for the 2013 agency dues.

Staff has reviewed and recommends approving payment of the attached invoice from IES in the amount of \$294.00 for website services from January to June 2013.



PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111

Fax (661) 947-8604

www.palmdalewater.org

Board of Directors

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Division 3

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Division 4

STEVE R. CORDOVA
Division 5

LAGERLOF, SENECA, GOSNEY & KRUSE LLP
Attorneys



Jan 07, 2013

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

RE: CHARGES FOR STAFF TIME IN PREPARING AGENDAS, MINUTES,
ETC. FOR DECEMBER 02 THRU DECEMBER 15, 2012.

<u>Labor: (Pay period beginning date)</u>	<u>Amount</u>
12-02-12 3.25 Hrs.	188.34
 TOTAL LABOR	 188.34
 TOTAL DUE	 <u>\$188.34</u>

If you have any questions please contact me at 661-456-1014.

Sincerely,

YOLANDA T. RADOVIC, Accounting Assistant II

/ytr

(Work order # PWD09ADMAVSCA

Please Credit GL# 1-00-3030-000

2/11/13
OK TO PAY
m.z.



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Fax (661) 947-8604

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Division 4

STEVE R. CORDOVA
Division 5

LAGERLOF, SENEAL, GOSNEY & KRUSE LLP
Attorneys



Feb 04, 2013


ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

RE: CHARGES FOR STAFF TIME IN PREPARING AGENDAS, MINUTES,
ETC. FOR DECEMBER 30 THRU JANUARY 12, 2013.

<u>Labor: (Pay period beginning date)</u>	<u>Amount</u>
12-30-12 1.50 Hrs.	63.18
TOTAL LABOR	63.18
TOTAL DUE	<u>\$63.18</u>

If you have any questions please contact me at 661-456-1014.

Sincerely,


YOLANDA T. RADOVIC, Accounting Assistant II
/ytr
(Work order # PWD09ADMAVSCA
Please Credit GL# 1-00-3030-000

2/11/13
OK TO PAY
m.k.

BOARD OF DIRECTORS

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Division 2
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Division 7



A PUBLIC AGENCY

OFFICERS

DAN FLORY
General Manager

HOLLY H. HUGHES
Secretary-Treasurer

February 6, 2013

Antelope Valley State Water Contractors Assoc.

Re: Invoice of Charges for Staff
Tom Barnes - Controller
September 1, 2012 – January 31, 2013

Total: \$1,114.16

Period	Hours	Amount	Notes
September 1, 2012 thru September 30, 2012	7	\$ 410.48	AVSWCA Meeting & preparation, Commissioner communications, website update.
October 1, 2012 thru October 31, 2012	6	\$ 351.84	AVSWCA Meeting & preparation, Commissioner communications, website update.
November 1, 2012 thru January 31, 2013	6	\$ 351.84	Commissioner communications.
Total:	19	\$ 1,114.16	

2/11/13
OK TO PAY
m.x.

1/17/13



ASSOCIATION OF
CALIFORNIA WATER AGENCIES
PO BOX 2408
SACRAMENTO, CA 95812-2408
(916) 441-4545 FAX (916) 325-4849

Federal Identification Number: 94-6003910

124750
Antelope Valley State Water Contractors
Mr. Matthew Knudson
2029 E Ave Q
Palmdale, CA 93550

RECEIVED

JAN 22 2013

BY: _____

AG13 2013 Agency Dues

1,625.00

1,625.00

LESS PAYMENTS

AMOUNT DUE

1,625.00

2/11/13
OK TO PAY
M.X.

* SECOND NOTICE * SECOND NOTICE *

>> Your ACWA membership dues become delinquent January 31, 2013 <<

Please remit payment promptly to avoid cancellation of your membership

ACWA appreciates your continued participation.

CUSTOMER COPY



**Interactive
Educational
Services, Inc.**

5401 Business Park South
Suite 108
Bakersfield, CA 93309

Phone: 661-859-1900
Fax: 661-859-1840

www.iescentral.com
e-mail: info@iescentral.com



RECEIVED
JAN 08 2013

Invoice

BILL TO

Antelope Valley State Water Cont. Asso.
C/O Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

DATE	INVOICE #
1/4/2013	18468

P.O. NO.	TERMS
	Due on receipt

DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT
Recurring monthly charge - January to June 2013	6	49.00	294.00
2/11/13 OK TO PAY \$294 - MK.			
		Total	\$294.00

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION COMMISSION MEMORANDUM

DATE: February 11, 2013 February 14, 2013
TO: AVSWCA Commissioners Commission Meeting
FROM: Matthew Knudson, General Manager
RE: *AGENDA ITEM NO. 6 - CONSIDERATION AND POSSIBLE ACTION ON
ELECTION OF OFFICERS*

The bylaws for the Antelope Valley State Water Contractors Association state, "At the regular meeting in January each year, officers shall be elected to serve for one year. There shall be at least one officer from each of the governing boards."

PWD Director Robert Alvarado has replaced PWD Director Gordon Dexter as a Commissioner for the Association, and AVEK Director Keith Dyas has replaced AVEK Director George Lane as a Commissioner for the Association.

Current officers are as follows:

vacant – Chair

Barbara Hogan (LCID) – Vice Chair

Andy Rutledge (AVEK) – Secretary

Leo Thibault (LCID) – Treasurer-Auditor

Keith Dyas (AVEK) – Commissioner

Kathy Mac Laren (PWD) – Commissioner

Robert Alvarado (PWD) – Commissioner

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION COMMISSION MEMORANDUM

DATE: February 11, 2013 February 14, 2013
TO: AVSWCA Commissioners Commission Meeting
FROM: Matthew Knudson, General Manager
RE: *AGENDA ITEM NO. 7 – RATIFICATION OF PROFESSIONAL SERVICES AGREEMENT WITH RMC WATER AND ENVIRONMENT FOR PROPOSITION 1E, ROUND 2 STORMWATER FLOOD MANAGEMENT GRANT APPLICATION FOR THE LITTLEROCK DAM SEDIMENT REMOVAL PROJECT.*

Recommendation:

Staff recommends that the Professional Services Agreement with RMC Water and Environment (RMC) in the not-to-exceed amount of \$28,840.00 for the preparation of the grant application for the Proposition 1E, Round 2 Stormwater Flood Management Grant Application for the Littlerock Dam Sediment Removal Project be ratified.

Background:

The following is a description of the Littlerock Dam Sediment Removal Project:

Inflow to Littlerock Reservoir is seasonal and varies widely from year to year depending on stream flows and snowmelt within the watershed. Dry years are typically more frequent than wet years, with an average water yield of approximately 3,500 acre-feet per year. However, PWD is authorized to divert approximately 5,500 acre-feet of water from the watershed annually.

The initial design capacity of the Reservoir was 4,300 acre-feet. This capacity has been substantially reduced over time by the deposition of sediment behind the Dam. By 1991, the capacity of the Reservoir had been reduced to approximately 1,600 acre-feet. As a result of the 1992 Littlerock Dam and Reservoir Restoration Project, the height of the Dam was raised to increase the Reservoir capacity by approximately 1,723 acre-feet creating a Reservoir surface area of nearly 100 acres. The current Reservoir storage capacity is approximately 3,000 acre-feet. As seasonal inflow to Littlerock Reservoir is approximately 3,500 acre-feet per year, flows during the winter rainy season quickly fill the Reservoir and overtop the Dam.

Calculations indicate that Reservoir capacity is further reduced by siltation at an annual rate of approximately 54,000 cubic yards of sediment, which amounts to a storage loss of approximately 30 to 40 acre-feet of water per year.

By constructing a grade control structure and removing sediment, the Palmdale Water District intends to restore the water storage capacity of the Reservoir while avoiding impacts to sensitive wildlife that occur upstream of the proposed action. Therefore, the proposed action objectives are to:

- Restore the ability of the District to store water in the Reservoir for beneficial uses;
- Offset previous storage capacity losses due to siltation;
- Maintain the level of debris control and flood peak attenuation provided by the Dam and Reservoir; and
- Prevent sediment loss and headcutting of the stream channel upstream of Rocky Point to prevent the degradation of critical habitat for, and incidental “take” of arroyo toad, a federally endangered species.

At the October 11, 2007 Antelope Valley State Water Contractors Association meeting, the Commissioners approved the concept of the Association performing consultant contract administration on behalf of the Advisory Team of the Antelope Valley Integrated Regional Water Management Team.

Per the IRWMP meeting of October 17, 2012, the stakeholder group agreed to move forward with Palmdale Water District’s Littlerock Dam Sediment Removal Project grant application for Prop 1E.

On October 24, 2012, the Advisory Team (A-team) had a conference call to discuss funding of the grant application. The A-team members agreed and recommended requesting that the Antelope Valley State Water Contractors Association (AVSWCA) prepare and submit the application (using consultant services from RMC) to prepare the grant application. RMC’s proposal for completing the grant application work includes a budget of \$28,840, to be paid from the Regional Water Management Group combined funds.

Prior to this project, the Upper Amargosa Project was chosen as one of the high priority projects within the IRWMP, and the AVSWCA utilized this process and funding source to prepare said grant application. The City of Palmdale obtained \$6.5 million under the first round of Prop. 1E funds for implementation of the project.

Financial Impact:

Restricted funds in the amount of \$110,509 are available to fund the work covered by this agreement. These funds were previously contributed by members of the Regional Water Management Group and the Antelope Valley Building Industry Association.

The restricted funds are also being utilized to front the work associated with the update of the 2007 Integrated Regional Water Management Plan until reimbursement can be made by DWR under the Proposition 84 Planning Grant agreement.

Supporting Documents:

- Professional Services Agreement between the Association and RMC Water and Environment for the Proposition 1E, Round 2 Stormwater Flood Management Grant Application for the Littlerock Dam Sediment Removal Project.

PROFESSIONAL SERVICES AGREEMENT

between

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

and

RMC Water and Environment

for the

**Proposition 1E, Round 2 Stormwater Flood Management Grant Application
for the Littlerock Sediment Removal Project**

1. IDENTIFICATION

This PROFESSIONAL SERVICES AGREEMENT, hereinafter referred to as "Agreement," is made and entered into this 2nd day of January, 2013, by and between Antelope Valley State Water Contractors Association, a California Joint Powers Agency, hereinafter referred to as "Association," and RMC Water and Environment, an engineering consulting company hereinafter referred to as "Consultant."

2. RECITALS

- 2.1 Association requires professional engineering and environmental planning services.
- 2.2 Consultant has demonstrated expertise in various aspects of engineering and environmental planning and is qualified to provide the professional services required by Association.
- 2.3 Association and Consultant desire to enter into a contract for the provision of professional services for the preparation of a Proposition 1E, Round 2 grant application package as delineated in the Scope of Work attached hereto as Exhibit A, subject to the terms and conditions of this Agreement.

3. AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants hereinafter contained, it is mutually agreed as follows:

- 3.1 Association hereby retains Consultant to perform the professional services described in Exhibit A. Consultant agrees to perform such services in a timely and professional manner and with due diligence.

- 3.2 The Project Manager for Consultant shall be Brian Dietrick, who shall manage and direct the technical effort of Consultant and be the Consultant's liaison with the Association.
- 3.3 Consultant, at its sole cost, shall procure and maintain at all times during this Agreement: (a) statutory Workers' Compensation Insurance coverage together with employer's liability coverage of \$1 Million, (b) General Liability Insurance (insuring against bodily injury and property damage) with a minimum coverage of \$1 Million for each occurrence and a \$2 Million aggregate, and naming the Association as an additional insured, (c) Automobile Liability Insurance with a minimum coverage of \$1 Million per accident for bodily injury and property damage, and (d) Professional Liability Insurance with a minimum coverage of \$1 Million per claim and annual aggregate.

The policy or policies of insurance so provided shall contain a contractual liability endorsement covering the liability assumed by the Consultant by the terms of this Agreement. The above-referenced insurance policy (or policies) shall be furnished at the Consultant's expense, in a form and with insurance companies authorized to do business and have an agent for service of process in California and have an "A-" policyholder's rating and a financial rating of at least Class VII in accordance with the most recent Best's Insurance Guide, or as otherwise approved by the Association. If Best's is no longer published, comparable ratings must be provided from a service acceptable to Association. Such insurance policies shall have provisions providing that insurance furnished thereunder shall be considered primary as to Consultant's services with respect to any policies of insurance maintained by Association. Said policy(ies) shall also contain provisions requiring that the coverage cannot be reduced or canceled without giving Association thirty (30) days prior written notice.

Before performing any work, Consultant shall furnish certificates of insurance evidencing the foregoing insurance coverage.

- 3.4 Consultant shall indemnify and hold harmless the Association, its elected Board, appointed officers, agents, and employees from and against any and all claims, demands, costs, expenses, losses, or liabilities in law or in equity, including, but not limited to injury to or death of any person, and damages to or destruction of property of any person, arising out of:

- a. The wrongful misconduct or negligent acts, errors or omissions of Consultant, so long as such claims, demands, costs, expenses, losses or liabilities do not result from the sole negligence or willful misconduct of Association or any of its directors, officers, employees, agents, or volunteers, provided that if such claims, demands, costs, expenses, losses or liabilities arise from the negligence of the Association or any of its directors, officers, employees, agents or volunteers (other than its or their sole negligence), then Consultant's obligation hereunder shall be allocated in accordance with comparative negligence principles under California law;
- b. The violation of governmental laws or regulations, compliance with which is the responsibility of the Consultant.

Consultant shall pay and satisfy any judgment, award, or decree that may be rendered against Association or any of its directors, officers, employees, agents, or volunteers in any such suit, action, or other legal proceeding.

Consultant shall reimburse Association or any of its directors, officers, employees, agents, or volunteers for any and all legal expenses and costs incurred by each of them in connection therewith.

Consultant's obligation to indemnify shall not be limited to insurance proceeds, if any, received by Association or any of its directors, officers, employees, agents, or volunteers.

- 3.5 Association shall have the right to terminate this Agreement at any time upon five (5) days written notice to Consultant. In the event of such termination, Association shall compensate Consultant through the notice date for services actually performed hereunder in accordance with the rates set forth in Exhibit A, but in no event shall Association be obligated to pay more than the maximum compensation set forth in Exhibit A.
- 3.6 Association shall pay Consultant the compensation in the amount, time, and manner set forth on the attached Exhibit A.
- 3.7 This Agreement shall not be assigned by Consultant without the written consent of Association.

- 3.8 Consultant shall procure, at its expense, all permits required by governmental authorities and shall comply with all applicable local, state and federal regulations and statutes including Cal-OSHA requirements.
- 3.9 Consultant shall comply with Labor Code Section 1775. In accordance with said Section 1775, the Consultant shall forfeit as a penalty to the Association, a penalty in such amount as the Labor Commissioner shall determine for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates for such work or craft in which such worker is employed for any work done under this Agreement by them or by any sub-consultant under them in violation of the provisions of the Labor Code and, in particular, Labor Code Sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to said Section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Consultant.
- 3.10 Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.
- 3.11 Association will make available to Consultant such materials from its files as may be required by Consultant to perform these services. Such materials shall remain the property of the Association while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to the Association any Association property or materials in its possession and any calculations, notes, reports, electronic files or other materials prepared by Consultant in the performance of these services.

Association may utilize any material prepared or work performed by Consultant in any manner, which Association deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes or corrections made by Association or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

- 3.12 Consultant shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of the Association.
- 3.13 Consultant shall not publish or use any advertising, sales promotion or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which Association's name is used or its identity is implied without prior written approval by the Association.
- 3.14 In the event any action or proceeding is brought by either party to enforce any term or provision of this Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs.
- 3.15 Written notices shall be deemed to have been given when mailed by the United States mail, postage prepaid, addressed to the parties to this Agreement.
- 3.16 At all times during the term of this Agreement, Consultant shall be deemed to be an independent contractor and not an employee of Association.
- 3.17 This Agreement contains the entire agreement between the parties hereto and supersedes any prior or concurrent written or oral agreement between said parties concerning the subject matter contained herein.
- 3.18 The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California. The parties hereto do hereby consent to the jurisdiction of the California courts in the event any dispute arises in conjunction herewith.
- 3.19 If any provision of this Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement, or the application of such provision under other circumstances, shall not be affected thereby and shall remain valid and enforceable.
- 3.20 The signatories to this Agreement represent that they have the authority to execute this Agreement.

3.21 This Agreement has been prepared jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

The parties hereto have caused this Agreement to be duly executed by its authorized officers.

**ANTELOPE VALLEY STATE WATER
CONTRACTORS ASSOCIATION**

RMC

By: [Signature]
Its: GENERAL MANAGER

Date: 1/3/13

By: Brian N. Dietrich BRIAN N. DIETRICH
Its: VICE PRESIDENT

Date: 1/2/2013

Antelope Valley State Water Contractors Association (AVSWCA) Proposal for the Preparation of the Proposition 1E, Round 2 Stormwater Flood Management (SWFM) Grant Application

1. DETAILED SCOPE OF SERVICES

To prepare our approach for this grant application, RMC put together a scoring analysis of the Project in Table 1 on the following page to evaluate what we expect will be the score we will need to achieve to be successful and the areas that we believe will require the most attention. This analysis is based on a combination of information that includes our review of the Draft Proposition 1E, Round 2 SWFM PSP, our in depth understanding of DWR and its grant programs, and recent discussions we have had with DWR's Proposition 1E SWFM program managers. From our analysis, RMC believes that the most critical parts of the application will be:

1. Project Work Plan
2. Technical Justification of Project Physical Benefits
3. Benefits and Costs Analysis

To address these critical aspects of the application, RMC has put together the following scope of work articulating our approach to preparing the application. In addition, RMC has assembled a team that (1) has worked with and is familiar with Palmdale Water District (PWD) and (2) has proven successful at preparing complicated grant applications such as this one and the supporting economic benefits analysis needed to position PWD's Project as well as possible.

Table 1

RMC Scoring Analysis for Littlerock Sediment Removal Project

Scoring Category	Maximum Score (RMC Target Score)	RMC Scoring Analysis
Eligibility and Completeness Requirements	Pass/Fail	Need to adequately respond to question: "Will the project manage stormwater in order to reduce flood damage?"
Work Plan	15 (15)	Expect to achieve full points
Budget	5 (5)	Expect to achieve full points
Schedule	5 (5)	Expect to achieve full points
Monitoring, Assessment, and Performance Measures	5 (5)	Expect to achieve full points
Technical Justification of Projects	10 (5-10)	Projects that provide documented flood benefits AND water supply will score highest here. Need to find ways to demonstrate flood, water supply, and habitat benefits to achieve target points.
Benefits and Costs Analysis	30 (20-30)	Will need to maximize benefits in this category to be successful. Points are based on a <u>high level of benefits compared to costs</u> that are justified with a high-quality analysis and complete documentation.
Program Preferences	10 (10)	Expect to achieve full points
Total Points	80 (65-80)	Maximum Points Target Points

1.b. Scope of Work

The application will consist of one project: Littlerock Sediment Removal Project. The proponent of this project is Palmdale Water District (PWD)

This scope of work describes the work items to be performed by RMC for the preparation of the Proposition 1E, Round 2 SWFM Grant Application which includes the attachments outlined in Table 2 on the following page. Throughout the preparation of the Proposition 1E, Round 2 SWFM grant application, RMC will leverage as much of the information as possible from the previous Proposition 50 grant application. That said, updates and new information will be necessary for some of the application attachments and we note what we anticipate we will need for each attachment in Table 2.

Task 1 Coordination with PWD and DWR

1.1 Conduct Proponent Meetings

RMC will conduct 2 meetings with PWD to review application documents.

- Meeting #1: Kickoff, review of grant guidelines, and information request
- Meeting #2: Progress meeting (if needed)

1.2 Coordinate with DWR for Feedback on the PWD Application

RMC will coordinate communication with DWR staff, on behalf of PWD, to solicit input from DWR on the PWD application, and to field questions to DWR, if necessary.

1.3 Develop and Maintain Work Schedule

RMC will develop and maintain a work schedule for the grant application process. The work schedule will list tasks, deadlines, status, and responsible party.

Deliverables:

- Meeting agendas and minutes
- Work schedule

Table 2

Proposition 1E, Round 2 SWFM Grant Application Attachments

Attachment #	Attachment Title	Attachment Work
Attachment 1	Authorization and Eligibility Requirements	Applicant should supply information
Attachment 2	Adopted Plan and Proof of Formal Adoption	AVSWCA should supply information
Attachment 3	Work Plan	We have basic information about the project; however will need to verify/update all submittals & dates, as well as verify information
Attachment 4	Budget	Will need detailed budget information for each of the tasks
Attachment 5	Schedule	Will need to verify/update all project dates
Attachment 6	Monitoring, Assessment, and Performance Measures	Will need to verify/update information (some information from Prop. 50 can be utilized)
Attachment 7	Technical Justification of Project Physical Benefits	Will need to collect information from applicant including documentation supporting the project physical benefits (i.e., technical reports, feasibility studies, journals)
Attachment 8	Benefits and Cost Analysis	Must be updated from Prop. 50 application
Attachment 9	Program Preferences	Will need to verify/update information (some information from Prop. 50 can be utilized)
Attachment 10	UWMP, GWMP, AB 1420 , and Water Meter Compliance Information	Applicant will need to supply copies of signed originals

Task 2 Draft Grant Application

2.1 Compile Eligibility Requirements and Complete Grant Application Checklist

RMC will coordinate with PWD to obtain information to complete the grant application checklist, Attachment 1 and Attachment 2 as described below.

Attachment 1. Authorization and Eligibility Requirements

- RMC will work with PWD to develop a resolution that can be adopted by the Board (and/or the AVSWCA Board as necessary) designating PWD to submit the application and execute an agreement with the State of California for a SWFM Grant.
- RMC will coordinate with PWD to document eligibility for a SWFM Grant.

Attachment 2. Adopted Plan and Proof of Formal Adoption

- RMC will compile proof of formal adoption for all RWMG entities and project proponent(s) adopting the IRWM Plan.

Deliverables:

- Draft grant application checklist for review by PWD.
- Final grant application checklist for submission to DWR.
- Draft Attachments 1 and 2 for review by PWD.
- Final Attachments 1 and 2 for submission to DWR.

2.2 Review and Compile Draft Work Plan (Attachment 3)

RMC will work with PWD to develop a draft Work Plan, including the following:

- RMC will work with PWD to develop a project introduction that addresses/includes:
 - Goals and objectives of the project proposal.
 - How the project relates to the adopted IRWM plan.
 - Overview of project which includes an abstract and project status.
 - Map of project location(s) and regional map showing flood control infrastructure.
- RMC will coordinate with PWD to ensure the following criteria are addressed in the Work Plan:
 - Tasks outlined in the guidelines for the project contain adequate detail and completeness so that it's clear the project can be implemented.
 - Tasks include appropriate deliverables and reporting submittals (i.e., quarterly and final reports).
 - List of all permits and their status including CEQA compliance.
 - Submitted plans and specifications are consistent with the design tasks.
 - Submitted scientific and technical information support the feasibility of the project.

- Data Management and Monitoring Deliverables are consistent with the "Data Management" IRWM Plan Standard in the 2012 Guidelines.
- Identify if the project is part of a larger multi-phased project effort and if so, will the project be operational as a standalone project.
- Procedures for coordination with partner agencies and organizations that may receive funding from the grant (i.e., contracts, MOU's, and other formal agreements).
- Discussion of standards (i.e., construction standards, health and safety standards).
- List all project performance measures and monitoring plans.
- Status of acquisition of land or rights-of-ways (if applicable).
- RMC will review the tasks and subtasks in the draft Work Plan to ensure that they are consistent with those shown in the Budget and Schedule.
- RMC will review the Work Plan using scoring criteria listed in the PSP to ensure that each criterion is addressed, and provide feedback to PWD if criteria are not met.

Deliverables:

- Draft Work Plan for review by PWD.

2.3 Review and Compile Draft Budget (Attachment 4)

RMC will work with PWD to develop/update a detailed budget for the project, which at a minimum, must include the following:

- Land costs, planning and design costs, environmental compliance and documentation costs, construction costs shown by project task, or phase, and the construction contingency amount.
- An explanation of the rationale used to determine the contingency percentage.
- All sources of the funding match; eligible funding match amounts can include, subject to DWR approval, costs borne by PWD after September 30, 2008.
- The amount of funding match applied to each task, eligible costs consists of those costs incurred after the date of the grant agreement is executed.
- Any other State funds that will not come from the Prop 84 Implementation grant.
- Tasks that are completely supported by the funding match.

RMC will coordinate with PWD to ensure the following criteria are addressed in the Budget attachment:

- Summary budget (roll-up) of the entire Proposal is provided, based on the format specified in the PSP.
- Tasks shown in the budget are consistent with those shown in the Work Plan and Schedule.

- Detailed costs for each project are reasonable.
- Costs shown in the Budget are supported by complete documentation.
- Explanation is provided for how the costs of the project were estimated.

RMC will review the Budget using scoring criteria listed in the PSP to ensure that each criterion is addressed, and provide feedback to PWD if criteria are not met.

Deliverables:

- Draft budget for review by PWD.

2.4 Review and Compile Draft Schedule (Attachment 5)

RMC will work with PWD to develop a tabular schedule for implementation of the Project showing the sequence and timing, including milestones for each task in the Work Plan. At a minimum, the following tasks should be included in the schedule:

- Development of financing.
- Development of environmental documentation and CEQA/NEPA compliance.
- Project design and bid solicitation process.
- Acquisition of rights-of-way, if required.
- Identification and acquisition of all necessary permits.
- Construction start and end dates including significant milestones.
- Implementation of any environmental mitigation or enhancement efforts.
- Construction Administration.
- Project Administration.

RMC will coordinate with PWD to ensure the following information is addressed in the Schedule attachment:

- Tasks scheduled are consistent with the task described in the Work Plan.
- Schedule is reasonable based on the Work Plan task descriptions.
- The number of construction cycles that will occur between the assumed agreement execution date and the start of construction or implementation for the Project is provided.

RMC will develop a Gantt chart or horizontal bar format schedule for the Project. RMC will review the Schedule using scoring criteria listed in the PSP to ensure that each criterion is addressed, and provide feedback to PWD if criteria are not met.

Deliverables:

- Draft Gantt chart/horizontal bar format schedule for review by PWD.

2.5 Review and Compile Monitoring, Assessment and Performance Measures (Attachment 6)

RMC will work with the PWD to develop a description of the performance measures that will be used to quantify and verify project performance. The description will include the following:

- Discussion of the monitoring system to be used to verify Project performance with respect to the Project benefits or objectives identified.
- Indication of where the data will be collected and the types of analyses used.
- Discussion of how monitoring data will be used to measure the performance in meeting the overall goals and objectives of the IRWM Plan.

RMC will work with PWD to develop a Project Performance Measures Table for the Project. The Project Performance Measures Table should include the following items:

- Project goals.
- Desired outcomes.
- Output indicators – parameters to effectively track output.
- Outcome indicators – measures to evaluate change that is a direct result of the Project being built.
- Measurement tools and methods.
- Targets – measurable targets that are feasible to meet during the life of the Project.

RMC will review the Monitoring, Assessment and Performance Measures attachment using the scoring criteria listed in the PSP to ensure that each criterion is addressed, and provide feedback to PWD if criteria are not met.

Deliverables:

- Draft Monitoring, Assessment and Performance Measures for review by PWD.

2.6 Prepare Technical Justification of Project Physical Benefits (Attachment 7)

RMC will work with PWD to identify measurable physical benefits based on estimated measures of project accomplishments over the period of analysis. Physical benefits may include, but not limited to, the following types of benefits:

- Amount of land and types of land uses, structures and equipment protected from flooding, provided for different flood events with associated probabilities.
- Amount of water supply produced, or saved, or recycled.
- Types of constituents and amounts of water quality improvement provided, and the amount of water treated or improved.
- Types and amounts of environmental benefits.

- Amount of recreation resources or open space provided, expressed as additional expected use if possible.
- Amount of energy produced or saved, and amount of greenhouse gases (GHGs) that can be avoided.
- Any other information used to support Attachment 8 (Benefits and Costs) analysis.

RMC will work with the PWD to develop a narrative description of the project's physical benefits. The description will include the following:

- A summary of the types of physical benefits being claimed.
- Recent and historical conditions that provide background for benefits to be claimed.
- Estimates of without-project conditions.
- A description of the project and its relationship to other projects in the proposal.
- Description of methods used to estimate physical benefits.
- Acknowledgement of all new facilities, policies, and actions required to obtain the physical benefits.
- Description of any potential adverse physical effects.
- Quantified estimates of physical benefits in Table 7 of the guidelines (if applicable); if expected physical benefits cannot be quantified, explain why and justify.

RMC will review the Technical Justification of the Project using the scoring criteria listed in the PSP to ensure that each criterion is addressed, and provide feedback to PWD if criteria are not met.

Deliverables:

- Draft Technical Justification of Project for review by PWD.

2.7 Prepare Benefits and Cost Analysis (Attachment 8)

RMC, in collaboration with M. Cubed (economics subconsultant) will prepare the benefits and costs analysis for the project. We expect to use the DWR Method which includes the following benefit analyses:

- Flood Damage Reduction Benefits Analysis.
- Non-Monetized Benefits Analysis (if applicable).
- Monetized Benefits Analysis (if applicable).

Flood benefits from the Project may be limited and difficult to quantify. Nevertheless, in our discussions with DWR and program managers involved with Proposition 1E, they emphasized providing ANY kind of quantifiable analysis in order to increase scoring. As such, RMC will make every attempt to provide this quantifiable analysis of flood benefits. RMC and M. Cubed will coordinate with PWD to obtain any of the following information or other information available to develop some estimate the flood damage reduction benefits:

- Flood inundation maps with and without the project.
- Flood frequencies without the project (e.g., could use 500-year, 100-year, 75-year, 50-year, and 25-year storm events).
- Depth and duration of inundation assuming flooding occurs as a consequence of analyzed storm events.
- Land uses on inundated land included an inventory of assets and structures.
- Flood frequencies with the project.

M. Cubed will develop a project benefits and cost summary for the project by completing Tables 16 and 17 of the SWFM grant guidelines to provide an overall estimate of the benefits of the project. M. Cubed and RMC will review the Benefits and Cost Analysis attachment using the scoring criteria listed in the PSP to ensure that each criterion is addressed, and provide feedback to PWD if criteria are not met.

Deliverables:

- Draft Economic Analyses for review by PWD.

2.8 Compile and Prepare Program Preferences Discussion (Attachment 9)

RMC will develop a discussion on how the Project assists in meeting the Program Preferences, identify the specific Program Preference(s) that the Project will meet, the certainty that the Project will meet the Program Preference(s), and the breadth and magnitude to which the Program Preference(s) will be met.

Deliverables:

- Draft Program Preferences Discussion for review by PWD.

2.9 Compile UWMP, GWMP, AB 1420, and Water Meter Compliance Information (Attachment 10)

RMC will coordinate with PWD to obtain the following documents and self certification forms for compilation into the application package:

- Submit copy of adopted UWMP.
- GWMP self certification document.
- AB 1420 self certification documentation.
- Water Meter compliance self certification form.

2.10 Consolidate Draft Grant Application for Review

RMC will consolidate revised drafts from Tasks 2.1 through 2.9 into a draft application package.

Deliverables:

- Draft Application Package containing all attachments for review by PWD.

Task 3 Final Grant Application

3.1 Prepare Final Grant Application

RMC will incorporate final comments on the draft Application Package and prepare the Final Application Package for submittal by February 1, 2013. RMC will prepare an electronic submittal of the application through the BMS. RMC will publish four (4) hard copies (double-sided) of the application and attachments and submit the hard copies to DWR by overnight courier.

Deliverables:

- Final Application Package containing all attachments for submission to DWR via BMS.
- Four (4) hardcopies (double-sided) of the Final Application Package for submittal to DWR.

Task 4 Project Coordination and QA/QC

4.1 Project Coordination and QA/QC

RMC will provide project/contract management and coordination with PWD and our subconsultant. RMC will ensure the project meets the approved budget and schedule.

Deliverables:

- Project tracking related to scope and schedule
- Monthly invoicing and progress reports
- Subcontractor coordination and review of critical deliverables
- Contract management

2. PROPOSED TEAM OF PERSONNEL AND SUBCONSULTANTS

RMC has put together a team with proven success in preparing and managing complicated grant applications such as the Proposition 1E, Round 1 SWFM Grant application. In addition, our team members have worked closely with PWD on other projects, including their Recycled Water Facilities Plan, Strategic Water Resources Plan, and 2010 Urban Water Management Plan. Lastly, our team has and continues to work on water resource planning in the Antelope Valley and, through those efforts, has and continues to closely follow the progress of PWD's Project.

In addition to RMC staff, our team includes an economics subconsultant with whom RMC has worked on other grant applications and projects to assist with the economic analysis portions of the application.

Below is a brief summary of the RMC team members.

Persephene St. Charles (RMC) – Principal-in-Charge

Persephene will serve as the Principal-in-Charge for the project, providing strategic direction to the project team and providing QA/QC for the grant application. Persephene has spent nearly 15 years dedicated to integrated water resources planning and stakeholder coordination throughout California. Working with over 40 planning efforts through California, like the Pomona Integrated Water Supply Plan, she has a comprehensive, technical understanding of how to determine, integrate and meet water supply, water quality, wastewater/recycled water, habitat enhancement, stormwater, flood protection and watershed goals. Her technical planning is balanced by her experience working in public outreach and stakeholder facilitation for organizations like the Russian River Watershed Association. Persephene also has extensive IRWM planning experience having worked with the San Francisco Bay Area, the North Coast and San Diego IRWMP regions as well as the Greater Los Angeles County.

Brian Dietrick (RMC) – Project Manager

Brian Dietrick will serve as our team's project manager, responsible for day-to-day execution of the grant application preparation. He is currently managing the Antelope Valley IRWM Plan Updates. Brian is a civil engineer with 20 years of experience specializing in facilities planning and design for water resources, wastewater, and recycled water projects. He has a background in technical planning for groundwater recharge facilities, integrated regional water management plans, urban water management plans, and environmental impact and regulatory compliance reports. Brian is also experienced in funding, cost estimating, industrial waste discharge, and public outreach.

Previously, as a staff member of the Los Angeles County Sanitation Districts, Brian served on advisory team for the Antelope Valley IRWM Plan development, selected by stakeholder group, to represent conservation, environmental, and water quality interests in the Antelope Valley. Recently, Brian has played a key role in securing funding for recycled water and water resource planning through the SWRCB and the US Bureau of Reclamation.

Grizelda Soto (RMC) – Project Planner/Writer

Grizelda Soto will serve as the project planner and primary resource for the team. Grizelda has a background in environmental science and planning as it relates to water resources management. She is experienced in water resources planning, grant writing, water restoration field work, and water quality evaluations. Grizelda is currently assisting in the Antelope Valley IRWM Plan Updates.

Grizelda is an experienced grant writer and has played key roles in a number of funding pursuits including:

- Greater Los Angeles County Proposition 84 application (DWR)
- Various Proposition 1E, Round 1 SWFM Grant applications (DWR)
- WaterSMART grant applications (US Bureau of Reclamation)

David Mitchell (M.Cubed) – Economics Analysis

David Mitchell, with the economics consultant M.Cubed, will provide economics analysis for our team. David's practice areas include benefit-cost analysis, regional economic impact assessment, utility rate setting and financial planning, and natural resource valuation. David has in-depth knowledge of the water supply, water quality, flood and environmental management challenges confronting natural resource management agencies. David and RMC have worked together on multiple projects, including successful Proposition 50 grant applications for the Bay Area IRWMP and the East County IRWMP. Most recently, RMC worked with David on Proposition 84 and Proposition 1E grant applications for multiple IRWM regions in the Bay Area.

David specializes in the use of benefit-cost analysis, economic impact assessment, financial planning, and resource valuation for water resource management. He has applied these methods to the evaluation of water transfers in the Imperial, Palo Verde, and Central Valleys; agricultural land retirement in the San Joaquin Valley; recycling and desalination projects in Southern California and the Bay Area; urban conservation program evaluation; integrated regional water management planning; and CALFED Bay-Delta Program financial planning.

Representative clients include: Alliance for Water Efficiency, California Urban Water Conservation Council, California Department of Water Resources, Tahoe Regional Planning Agency, Contra Costa Water District, East Bay Municipal Water District, Sonoma County Water Agency, Santa Clara Valley Water District, and Metropolitan Water District of Southern California.

Mr. Mitchell holds an M.S. in Agricultural and Resource Economics, and a B.S. in the Political Economy of Natural Resources, both from the University of California, Berkeley.

3. COST PROPOSAL BREAKDOWN AND PROJECT SCHEDULE

RMC's proposed schedule for completing the Proposition 1E, Round 2 SWFM Grant application is outlined in Table 3 below.

Table 3
Proposed Application Development Schedule

Dates	Proposed Activities
Dec 17 - 28	Project kickoff Request, collect, compile necessary information using templates Provide instructions to PWD on authorizations; resolution
Dec 31 - Jan 18	Evaluate available flood information Prepare draft work plan, budget and schedule Conduct flood benefits analysis Prepare draft benefits and costs analysis Prepare drafts of all other attachments
Jan 21 - 25	Prepare final benefits and costs analysis Prepare complete draft application
Jan 28 - Feb 1	Review, finalize and submit application (due Feb 1, 2013)

The overall budget for this task order is \$28,840 for the preparation of a grant application for one project. Specific budget details are provided in Table 4 on the following page.



Fee Estimate

AVSWCA

Proposition 1E, Round 2 Grant Application

Tasks	Labor				Outside Services				GDCs		Total		
	Proposer Estimate	Grant Director	Quality Control	Contract Mgr	Total Hours	Total Labor Cost (1)	Material	Subcontractor	Sub Government and Other Costs (2)	GDCs		Team GDCs (3)	Team Cost
	PIC	PM	QA/QC	PP									
	\$250	\$220	\$220	\$155			SUB						
Task 1: Coordination with PWD and DWR													
1.1 Conduct Proponent Meetings		8		8	16	\$3,000		\$0	\$0	\$200	\$220	\$3,220	
1.2 Coordinate with DWR for Feedback on Application	2	2		2	6	\$1,250		\$0	\$0	\$0	\$0	\$1,250	
1.3 Develop and Maintain Work Schedule		2		2	4	\$750		\$0	\$0	\$0	\$0	\$750	
Subtotal Task 1:	2	12	0	12	26	\$5,000	\$0	\$0	\$0	\$200	\$220	\$5,220	
Task 2: Draft Grant Application													
2.1 Compile Eligibility Requirements and Complete Grant Application Checklist		2		8	8	\$1,370		\$0	\$0	\$0	\$0	\$1,370	
2.2 Review and Complete Draft Work Plan		2		8	10	\$1,680		\$0	\$0	\$0	\$0	\$1,680	
2.3 Review and Complete Draft Budget		2		8	10	\$1,680		\$0	\$0	\$0	\$0	\$1,680	
2.4 Review and Complete Draft Schedule		2		6	8	\$1,370		\$0	\$0	\$0	\$0	\$1,370	
2.5 Review and Complete Monitoring, Assessment, and Performance Measures		2		6	8	\$1,370		\$0	\$0	\$0	\$0	\$1,370	
2.6 Prepare Technical Justification of Project Physical Benefits		2		8	10	\$1,680		\$0	\$0	\$0	\$0	\$1,680	
2.7 Prepare Benefits and Cost Analysis		2		8	10	\$1,680	\$5,000	\$5,000	\$5,500	\$0	\$0	\$7,180	
2.8 Compile and Prepare Program Preferences Discussion		2		8	8	\$1,370		\$0	\$0	\$0	\$0	\$1,370	
2.9 Compile UWMP, GWMP, AB 1420, and Water Meter Compliance Information		2		4	6	\$1,060		\$0	\$0	\$0	\$0	\$1,060	
2.10 Consolidate Draft Grant Application for Review		2		4	6	\$1,060		\$0	\$0	\$0	\$0	\$1,060	
Subtotal Task 2:	2	20	0	64	86	\$14,820	\$5,000	\$5,000	\$5,500	\$0	\$0	\$20,320	
Task 3: Final Grant Application													
3.1 Prepare Final Grant Application		2		6	10	\$1,670		\$0	\$0	\$100	\$110	\$1,780	
Subtotal Task 3:	2	2	0	6	10	\$1,670	\$0	\$0	\$0	\$100	\$110	\$1,780	
Task 4: Project Coordination QA/QC													
4.1 Project Coordination and QA/QC		2	4		6	\$1,320		\$0	\$0	\$0	\$0	\$1,320	
Subtotal Task 4:	0	2	4	0	6	\$1,320	\$0	\$0	\$0	\$0	\$0	\$1,320	

- The individual hourly rates include salary, overhead and profit.
- Subcontractors will be billed at actual cost plus 10%.
- Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
- RMC reserves the right to adjust its hourly rate structure and ODC markup at the beginning of the calendar year for all ongoing contracts.



United States Department of the Interior

U.S. GEOLOGICAL SURVEY
California Water Science Center
6000 J Street, Placer Hall
California State University
Sacramento, California 95819-6129
Phone: (916) 278-3000 Fax: (916) 278-3070
<http://water.wr.usgs.gov>

October 30, 2012

Mr. Matthew Knudson, Interim General Manager
Antelope Valley State Water Contractors Association
C/O Palmdale Water District
2029 East Avenue Q
Palmdale, California 93550

Dear Mr. Knudson:

This letter confirms discussions between our respective staffs, concerning the continuation of the cooperative water resources program, between the Antelope Valley State Water Contractors Association (AVSWCA) and the U.S. Geological Survey (USGS) during the period November 1, 2012 to October 31, 2013.

The USGS has made a policy change regarding Federal Matching Funds (FMF) effective October 1, 2012. The accounting of USGS FMF shown in paragraph 2(a) of the attached Joint Funding Agreement (JFA) no longer reflects the portion of USGS funding associated with facilities and science support at the Bureau level. The USGS continues to provide funding for these support services, but, under a new USGS business practice, this USGS funding is no longer included on the JFA. This change in USGS business practice does not change the overall cost of this work, nor does it diminish the total benefits and services that are provided by the USGS. No additional costs are incurred by AVSWCA as a result of this change in accounting.

The proposed program for the subject period and associated costs are as follows:

1. Ground Water-Level monitoring

Water levels will be measured in the spring of 2013 in approximately 220 wells (see List A). Water levels will be measured in September 2013 in 30 index wells that are indicative of each of the ground-water subunits - and a few extra wells in the Lake Los Angeles area.

2. Ground Water-Quality monitoring

Water samples will be collected for chemical analysis from 12 wells in Group 3 (see List B). The remaining wells in the study will be sampled for specific conductance and temperature (see List B, Groups 1 and 2). All wells will be sampled for complete analysis (see List C) on a three year rotational basis.

3. Water-level Contour Map and Interactive Website

Data collected during the spring of 2012 will be used to construct a 2012 water-level contour map for the Antelope Valley groundwater basin. The water-level data will be used in a new online U.S. Geological Survey report, "Water-level and Land-Subsidence studies in the Antelope Valley Groundwater Basin, Southwestern Mojave Desert, California". The website's interactive map feature will allow the public direct access to data and related reports available online by the USGS. From the site, the reader will be able to view any of the data from previously published water-level reports, compare and view water-level data from any of the maps, and perform tasks such as querying and identifying data.

The report also includes a series of images that show the location and extent of vertical land-surface changes in the region for various time intervals between 1992 and 2010. Maps of relative ground-surface change (interferograms) are constructed from Synthetic Aperture Radar (SAR) data to understand where groundwater pumping, hydrocarbon production, or other human and natural activities cause the land surface to uplift or subside. No additional land-subsidence data collection is planned for FY 2013.

Data collected in items 1 and 2 above will be transmitted annually in paper and electronic form.

FUNDING SUMMARY

<u>Station number and name</u>	<u>AVSWCA Funds</u>	<u>USGS Funds</u>	<u>Total Funds</u>
1. Ground Water-Level monitoring	\$48,800	\$24,500	\$73,300
2. Ground Water-Quality monitoring	7,250	3,650	10,900
3. Water-level Contour Map and Interactive Website	<u>53,700</u>	<u>20,500</u>	<u>74,200</u>
TOTAL	\$109,750	\$48,650	\$158,400

Total cost of the proposed program is \$158,400. AVSWCA is responsible for \$109,750, and subject to the availability of Federal matching funds, the USGS will provide \$48,650.

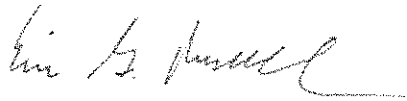
Enclosed are two originals of Joint Funding Agreement (JFA) 13WSCA43000, signed by our agency, for your approval. If you are in agreement with this proposed program, please return one fully executed JFA to our office. Work performed with funds from this agreement will be conducted on a fixed-price basis. Billing for this agreement will be rendered quarterly.

The USGS is required to have an agreement in place prior to any work being performed on a project. We request that a fully executed JFA be returned prior to December 1, 2012. If it is not received by December 1, we will be required to suspend operations until an agreement is received.

Mr. Matthew Knudson, Interim General Manager--Antelope Valley State Water Contractors Association

If you have any questions concerning items 1 and 2 of this program, please contact Bob Blanchard, in our Redlands Field Office, at (909) 798-3272. If you have any questions concerning item 3 of this program, please contact Tracy Nishikawa, in our San Diego Projects Office, at (619) 225-6148. If you have any administrative questions, please contact Tammy Seubert, in our Sacramento Office, at (916) 278-3040.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric G. Reichard", with a long horizontal flourish extending to the right.

Eric G. Reichard
Director, USGS California Water Science Center

Enclosure

cc: Bob Blanchard, USGS CAWSC

Tracy Nishikawa, USGS CAWSC

List A

Well Number	Frequency	Well Number	Frequency
4N/ 8W- 7C1	Annual	7N/10W-29Q1	Annual
4N/ 8W- 7R1	Annual	7N/10W-33J1	Annual
4N/13W- 7Q1	Annual	7N/11W- 1Q1	Annual
4N/13W-12C3	Semi-Annual	7N/11W- 5L1	Annual
4N/13W-15A1	Annual	7N/11W-11N3	Semi-Annual
5N/ 9W- 4C1	Annual	7N/11W-12M1	Annual
5N/ 9W- 5R2	Annual	7N/11W-14N1	Semi-Annual
5N/ 9W- 8J1	Annual	7N/11W-16H3	Annual
5N/10W- 6N1	Annual	7N/11W-27Q1	Annual
5N/10W-12M2	Annual	7N/11W-28Q1	Semi-Annual
5N/10W-17R1	Annual	7N/11W-29G1	Annual
5N/11W-12R1	Annual	7N/11W-31M1	Annual
6N/ 8W-28A2	Semi-Annual	7N/11W-34B1	Annual
6N/ 8W-34D1	Semi-Annual	7N/12W-12R1	Annual
6N/ 9W- 4H2	Semi-Annual	7N/12W-19R1	Annual
6N/ 9W- 7J1	Annual	7N/12W-22K1	Annual
6N/ 9W-21R1	Annual	7N/12W-24A1	Annual
6N/ 9W-28F1	Semi-Annual	7N/12W-26K3	Annual
6N/ 9W-29Q1	Annual	7N/12W-27F5	Annual
6N/ 9W-30F1	Annual	7N/12W-27F6	Annual
6N/9W-33G1	Annual	7N/12W-27F7	Annual
6N/ 9W-33P1	Annual	7N/12W-27F8	Annual
6N/10W- 4F2	Annual	7N/12W-27H1	Annual
6N/10W- 4M1	Annual	7N/12W-27H5	Annual
6N/10W- 5H1	Annual	7N/12W-27H6	Annual
6N/10W-20N1	Annual	7N/12W-27H7	Annual
6N/10W-22D1	Semi-Annual	7N/12W-27H8	Annual
6N/10W-30A2	Annual	7N/12W-27J5	Annual
6N/10W-30J2	Annual	7N/13W- 3D1	Semi-Annual
6N/10W-35A1	Annual	7N/13W-7A1	Annual
6N/11W-6F1	Annual	7N/13W-8B2	Annual
6N/11W-31A1	Annual	7N/13W-9N2	Annual
6N/11W-36G1	Annual	7N/13W-13N1	Annual
6N/12W- 7A1	Annual	7N/13W-15D1	Annual
7N/ 9W-17N2	Annual	7N/13W-26J2	Annual
7N/10W-2H2	Annual	7N/13W-34B1	Annual
7N/10W- 5E3	Annual	7N/14W-13A1	Annual
7N/10W- 5N5	Semi-Annual	8N/ 9W- 6D1	Annual
7N/10W-19D1	Annual	8N/10W-18P3	Annual
7N/10W-19Q1	Annual	8N/10W-22H4	Annual
7N/10W-22P1	Annual	8N/10W-22P3	Annual
7N/10W-29B1	Annual	8N/10W-23F3	Annual

Well Number	Frequency
8N/10W-28B1	Annual
8N/11W-14R1	Annual
8N/11W-15Q1	Annual
8N/11W-24R2	Annual
8N/11W-34D2	Semi-Annual
8N/12W-2Q1	Annual
8N/12W-5D1	Annual
8N/12W-10J1	Annual
8N/12W-21R1	Annual
8N/12W-28D1	Annual
8N/12W-30K1	Annual
8N/12W-31Q2	Annual
8N/12W-34K1	Annual
8N/13W-5E1	Annual
8N/13W-7B1	Annual
8N/13W-9K1	Annual
8N/13W-11Q1	Annual
8N/13W-14B2	Annual
8N/13W-15M1	Annual
8N/13W-18Q2	Annual
8N/13W-20B1	Annual
8N/13W-23E1	Annual
8N/13W-26K1	Annual
8N/13W-31Q1	Annual
8N/13W-35M1	Annual
8N/14W-1C1	Annual
8N/14W-10L1	Annual
8N/14W-17M1	Annual
8N/14W-18N1	Semi-Annual
8N/14W-23G1	Annual
8N/14W-24C1	Annual
8N/15W-1E1	Annual
8N/15W-2A1	Annual
8N/15W-7P1	Annual
8N/15W-9D1	Annual
8N/15W-10P2	Annual
8N/15W-19H1	Annual
8N/16W-16A1	Annual
8N/16W-2R1	Annual
8N/16W-3F1	Semi-Annual
8N/16W-6M1	Semi-Annual
8N/16W-9G1	Annual

Well Number	Frequency
8N/16W-12D1	Annual
8N/16W-17R2	Annual
8N/16W-18H2	Annual
8N/16W-22Q4	Annual
8N/17W-2N1	Annual
8N/17W- 4D1	Semi-Annual
8N/18W-23F1	Annual
9N/ 9W- 6E1	Annual
9N/ 9W-27H2	Annual
9N/10W- 8P1	Annual
9N/10W-24C1	Semi-Annual
9N/10W-24C2	Semi-Annual
9N/10W-28F2	Annual
9N/11W-36L1	Annual
9N/12W-16F4	Annual
9N/12W-23N1	Annual
9N/12W-33P1	Annual
9N/13W- 4A1	Annual
9N/13W- 7Q3	Semi-Annual
9N/13W-14Q1	Annual
9N/13W-21N1	Annual
9N/13W-27R2	Annual
9N/13W-28R ***	Annual
9N/13W-29M ***	Annual
9N/13W-30N ***	Annual
9N/13W-32C ***	Annual
9N/13W-32D ***	Annual
9N/13W-34Q1	Annual
9N/14W- 1H1	Annual
9N/14W-19L1	Annual
9N/14W-20B1	Semi-Annual
9N/14W-21G1	Annual
9N/14W-24A1	Annual
9N/14W-22D1	Annual
9N/14W-29E1	Annual
9N/14W-35N1	Annual
9N/15W-26N1	Annual
9N/15W-30Q1	Annual
9N/15W-34B2	Annual
9N/17W-36E1	Annual
9N/17W-36L1	Annual
10N/ 9W- 4D1	Semi-Annual

Well Number	Frequency
10N/ 9W-24A2	Annual
10N/12W-12K1	Annual
10N/12W-13H1	Annual
10N/12W-20C6	Annual
10N/12W-22J1	Annual
11N/ 8W-29K1	Annual
11N/ 9W-13D1	Annual
11N/ 9W-24A1	Annual
11N/ 9W-36R1	Annual
11N/10W-19D1	Annual
11N/10W-27R1	Annual
11N/11W- 7A1	Semi-Annual
11N/11W- 9A1	Semi-Annual
11N/12W-22F1	Annual
11N/13W-19C1	Semi-Annual
11N/13W-29M1	Semi-Annual
12N/12W-35R1	Annual
29S/39E-33K1	Annual
30S/37E-13C1	Annual
30S/37E-27H2	Annual
30S/37E-36G1	Semi-Annual
30S/37E-36N1	Annual
30S/38E-3K2	Annual
30S/38E-24F1	Annual
30S/38E-30P1	Annual
30S/38E-31C1	Annual
31S/37E-4Q1	Annual
31S/37E-33H1	Semi-Annual
31S/37E-33N1	Semi-Annual
31S/38E-18P1	Annual
31S/39E-24P1	Annual
32S/36E-35D1	Annual
32S/37E-11N1	Annual
32S/37E-12M1	Annual
32S/37E-26N1	Semi-Annual
32S/39E-33L1	Semi-Annual
Discontinued	Water Year
5N/10W-5R	2013
6N/9W-11N1	2013
6N/11W-3E2	2013
7N/12W-27H3	2013
30S/38E-30O1	2013

*State well number is tentative, pending verification by DWR.

LIST B

Antelope Valley State Water Contractors Association (AVSWCA)
Water-quality monitoring wells

GROUP 1

5N/10W- 8H1
5N/11W- 1M1
6N/11W- 6F1
6N/11W-11D1
6N/11W-36G1
6N/12W- 9H3
7N/11W- 3E3
7N/11W-19E1
7N/13W-14E1
9N/13W-30N
9N/13W-32D

GROUP 2

7N/14W-13A1
8N/10W-22H4
8N/10W-22P3 (alternate)
8N/12W-16M1
8N/12W-21Q1
8N/16W-13N1
9N/13W-32C
10N/12W-15M3
10N/13W-32D1

GROUP 3

29S/39E-23J2
30S/39E-24J3
30S/37E-24M2
30S/37E-34H2
30S/38E-4D2
31S/37E-1R2
32S/37E-16R1
9N/13W-28R

DISCONTINUED

9N/14W-36B (WY13)

8N/16W-6M1 ^{Knovak Well}
9N/13W-34A?*

9N/13W-34J?*

9N/13W-34A
9N/13W-34J

* State well number is tentative, pending verification by DWR.

LIST C

Chemical Constituents
(mg/L or as indicated)

Boron, dissolved(µg/L)	Dissolved solids at 180°C (Labcode 27)
Calcium, dissolved	Sodium adsorption ratio
Chloride, dissolved	Percent sodium
Flouride, dissolved	Total alkalinity (CaCO ₃)
Iron, dissolved (µg/L)	Total Hardness (CaCO ₃)
Manganese, dissolved (µg/L)	Noncarbonate hardness
Magnesium, dissolved	Temperature °C
Ammonia, dissolved	pH
Nitrogen (nitrate + nitrite), dissolved	Carbonate (CO ₃)
Nitrogen (nitrite), dissolved	Bicarbonate (HCO ₃)
Orthophosphate (PO ₄), dissolved	Specific conductance (µS/cm @25 degC)
Orthophosphorus (P), dissolved	Arsenic (Labcode 3122)
Potassium, dissolved	Radon Analysis (Labcode 1369)
Silica, dissolved	Chromium, dissolved
Sodium, dissolved	
Sulfate, dissolved	

Note: Samples for Chromium-VI will be collected at all groundwater sites. Analyses will be performed by a contract lab (TestAmerica), via a national contract between the contract lab and the USGS National Water-Quality Lab (NWQL).

Schedules used: 101, 117
and Labcodes: 27, 3122, and 1369.

Form 9-1366
(Oct. 2005)

**U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement**

Customer #: 6000001010
Agreement #: 13WSCA43000
Project #:
TIN #: 95-4753654
Fixed Cost Agreement ☒ Yes ☐ No

Page 1 of 2

**FOR
WATER RESOURCES INVESTIGATIONS**

THIS AGREEMENT is entered into as of the 1st day of November, 2012, by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, party of the second part.

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for cooperative water resources investigations in the Antelope Valley State Water Contractors Association area, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of \$0.

(a) \$48,650.00 by the party of the first part during the period
November 1, 2012 to October 31, 2013

(b) \$109,750.00 by the party of the second part during the period
November 1, 2012 to October 31, 2013

USGS DUNS IS 1761-38857.

- (c) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (d) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.
3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.
7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

Form 9-1366
continued

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement

Customer #: 6000001010
Agreement #: 13WSCA43000
Project #:
TIN #: 95-4753654

8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

U.S. Geological Survey
United States
Department of the Interior

ANTELOPE VALLEY STATE WATER
CONTRACTORS ASSOCIATION

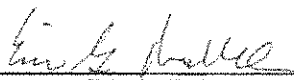
USGS Point of Contact

Name: Tammy Seubert
Address: 6000 J Street, Placer Hall
Sacramento, California 95819-6129
Telephone: 916-278-3040
Email: tseubert@usgs.gov

Customer Point of Contact

Name: Matt Knudson
Address: c/o Palmdale Water District
2029 East Avenue Q
Palmdale, California 93550
Telephone: 661-943-3201
Email: mknudson@palmdalewater.org

Signatures

By  Date 10/30/2012
Name: Eric G. Reichard
Title: Director, USGS California Water
Science Center

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

Signatures

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

IN-LIEU AGREEMENT

This In-Lieu Agreement is entered into on , 2013 , by and between the Antelope Valley State Water Contractors Association (AVSWCA), the Antelope Valley-East Kern Water Agency (AVEK), the Antelope Valley-East Kern Water Agency (AVEK) (Customer), and the Antelope Valley-East Kern Water Agency (AVEK) (Public/Private Entity) and shall apply to In-Lieu Banking Water stored in the Antelope Valley for ultimate use within the boundaries of the AVSWCA's member agencies.

Antelope Valley State Water Contractors Association Mission Statement

The mission of the Antelope Valley State Water Contractors Association is to facilitate the maximum use of the water resources of the Antelope Valley for the public benefit in the Antelope Valley by:

- Developing groundwater storage programs
- Facilitating communication and public outreach on water issues
- Creating partnerships to enhance the reliability of long-term water supplies
- Seeking funding opportunities for infrastructure and water supply projects

RECITALS

WHEREAS, the Antelope Valley State Water Contractors Association is a California Joint Powers Authority, pursuant to Gov. Code §6500.

WHEREAS, the Antelope Valley State Water Contractors Association (AVSWCA) was formed as a separate and independent governmental entity, to provide a framework for the joint exercise of their common powers relating to the development and protection of water supplies in the Antelope Valley.

WHEREAS, the Parties desire to enter into this Agreement notwithstanding the Parties current and future participation in litigation in the matter of the ANTELOPE VALLEY GROUNDWATER CASES, Proceeding No. 4408.

WHEREAS, AVSWCA seeks to maintain and improve the economy of the Antelope Valley by promoting and supporting programs that provide In-Lieu Water Banking, provided that:

- a. The program is economically beneficial to the Antelope Valley;
- b. Third party impacts, if any, are appropriately addressed;
- c. The amount and price of banked water is based upon the amounts agreed between the parties;
- d. Environmental impacts, if any, are addressed.

WHEREAS, the intent of this In-Lieu Water Banking Program is to allow for the Public/Private Entity to receive treated water at a cost that is roughly equivalent to the current AVEK treated water delivery amount. For example, the treated water delivery costs (shown per acre-foot of water) to the Public/Private Entity based on 2012 estimated costs would be:

Initial balance of Banking Rate (see Paragraph 4 below):	<u>\$116/AF</u>
--	-----------------

Estimated Pumping costs for recovery of banked water (summer rate)	<u>\$150/AF</u>
--	-----------------

Estimated Treatment and Delivery costs	<u>\$110/AF</u>
--	-----------------

Total	<u>\$376/AF</u>
-------	-----------------

Compared to AVEK's 2012 summer treated water rate of: \$400/AF

WHEREAS, AVEK, as lead agency, has complied with the requirements of the California Environmental Quality Act with respect to the project described in this Agreement.

AGREEMENT

1. **Authorization.** This In-Lieu Agreement is authorized by Section 98-61, Paragraph 15, of the California Water Code. In order to limit Customer's extraction of groundwater from the groundwater basin, AVEK wishes to temporarily reduce all, or a portion of, the Customer's groundwater pumping, and Customer is willing to reduce such pumping pursuant to the terms of this Agreement.
2. **Water Purchase.** Customer agrees to purchase Banking Water from AVEK during the upcoming water year under the AVSWCA's In-Lieu Water Banking Program at the board-approved Banking Rate, given that AVEK has such supplies available, for irrigation of the property described on Exhibit "A" attached hereto (Customer's Property).

3. **Non-Pumping.** Customer agrees to cease pumping operations from wells operated by Customer on Customer's Property to the level of the amount of Banking Water purchased by Customer from AVEK under the In-Lieu Water Banking Program.
4. **Recompense.** Customer agrees to demonstrate to AVEK the actual, current groundwater pumping costs from wells owned and operated by Customer. Banking Water will be provided to the Customer, in-lieu of groundwater pumping, at a cost of \$10/AF less than this demonstrated Customer pumping cost. Public/Private Entity agrees to pay the balance between the current AVEK Banking Rate and the amount paid by the Customer. For example, the costs (shown per acre-foot of water) to the Public/Private Entity based on 2012 estimated amounts would be:

Total Cost of Banking Water:	<u>\$216/AF</u>
Estimated Cost of pumping groundwater:	<u>\$110/AF</u>
Incentive discount to Customer:	<u>(\$10/AF)</u>
Final Customer cost of pumping groundwater:	<u>\$100/AF</u>
Remaining cost to be paid by Public/Private Entity:	
	$\$216/AF - \$100/AF =$ <u>\$116/AF</u>

5. **Storage.** The parties hereto agree that Public/Private Entity shall be deemed to have received a credit of one (1) acre-foot of water in storage for every acre-foot of Banking Water that Public/Private Entity has agreed to recompense AVEK towards water sold to Customer under the In-Lieu Water Banking Program, unless contrary to the judgment ultimately rendered in the ANTELOPE VALLEY GROUNDWATER CASES (JCCP 4408). The Banking Water will be considered stored at the location where the Banking Water is used in-lieu of groundwater.
6. **Return Flows.** The right to any portion of Return Flows associated with this Program will be addressed and determined within any Judgment which may be entered in the ongoing Adjudication; the ANTELOPE VALLEY GROUNDWATER CASES, (JCCP 4408).
7. **Withdrawal of Water.** The parties hereto further agree that Public/Private Entity may withdraw water from storage by written request to AVSWCA, unless contrary to the judgment ultimately rendered with ANTELOPE VALLEY GROUNDWATER CASES. Water may be withdrawn at a rate subject to available capacity. Prior to becoming eligible to withdraw water from storage, Public/Private Entity must have received In-Lieu Water credit in the storage basin prior to the current AVEK fiscal year. The amount of water withdrawn shall not exceed the amount of water previously stored by Public/Private Entity.

8. **Verification.** At any time during the term of this Agreement, AVEK may determine that further data or investigation is needed to support the claim of Customer as to the level of non-pumping of Customer. AVEK may request that Customer provide such further data or allow such further investigation. AVEK shall have the right to withhold any additional Banking Water until any such additional data is provided or any necessary investigation is completed, and until AVEK is satisfied the Customer is entitled to such additional Banking Water.
9. **Accounting.** The parties will negotiate in good faith regarding accounting and notification of water deliveries. AVSWCA will separately record and account for the total amount of water in storage by Public/Private Entity during the term of this Agreement. AVSWCA shall calculate additions and extractions of water banked under this agreement, and maintain an account of all such water.
10. **Regulations.** AVEK's rules and regulations for groundwater banking shall apply to this In-Lieu Agreement.
11. **Losses.** Water stored pursuant to this Agreement shall be stored in Public/Private Entity's storage account and shall not be subject to losses.
12. **Water Quality.** The quality of water delivered and/or stored pursuant to this Agreement shall not be detrimental to the area in which storage will occur.
13. **Dispute Resolution.** In the event any Party commences legal proceedings against the other to enforce the terms hereof, or to declare rights hereunder, as the result of the breach of any covenant or condition of this Agreement, the prevailing Party in any such proceeding shall be entitled to recover from the losing Party the reasonable costs and attorney's fees, incurred in connection therewith. Except as otherwise expressly provided herein, all Parties shall bear their own costs and attorney's fees.
14. **Indemnification.** Except for resolution of disputes pursuant to Paragraph 13 above, Customer and Public/Private Entity shall save and hold harmless AVSWCA, its officers, agents and employees from any and all costs, damages or liability resulting from this Agreement or its implementation.
15. **Non-Transferable.** This Agreement is not assignable or transferable, except to the lawful successor of either Party, and cannot in any way be hypothecated by Customer.
16. **Amendment.** This Agreement shall be amended only upon written agreement of the Parties.

17. **Entire Agreement.** This Agreement is the entire Agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Parties with respect to the matters contained in this Agreement. Any waiver, modification, consent of acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by, or on behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.
18. **Notices.** Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including courier service), by facsimile communication, by Federal Express, UPS or other overnight delivery, or by registered or certified mail, postage prepaid and return receipt requested. Any party may change its mailing address or facsimile number by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service; on the date of confirmed dispatch, if by facsimile communication; on the day after delivery if by "overnight courier;" on the third (3rd) day after being placed in the U. S. mail, if mailed first class, whether or not registered or certified.
19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The only venue and forum for the resolution of any dispute regarding the interpretation or enforcement of this Agreement shall be in the Superior Court of the State of California in and for the County of Santa Clara, Central Judicial District, California, ANTELOPE VALLEY GROUNDWATER CASES, Case No. 1-05-CV-049053 (JCCP 4408), or such other forum as the Judgment may subsequently be assigned.
20. **Construction.** The language in all parts of this Agreement shall be in all cases construed simply, according to its fair meaning, and not strictly for or against any of the Parties hereto. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Paragraphs" are to Paragraphs of this Agreement, unless otherwise specifically provided.
21. **Good Faith.** The Parties agree to perform their obligations herein in "good faith" and shall do all things reasonably necessary to carry out the intent and/or to implement the terms of this Agreement.

22. **Binding Effect.** All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and to their respective representatives, agents and lawful successors.
23. **Continued Validity.** If any provision of this Agreement, or its application to any person, place, or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect.
24. **Adjudication.** This agreement and all terms and conditions set forth within are subject to any Judgment which may be entered in the ongoing Adjudication; the ANTELOPE VALLEY GROUNDWATER CASES, (JCCP 4408), resolving the groundwater rights within the Antelope Valley and future rules and regulations which may be developed by a Court appointed Watermaster or the Board of Directors of AVSWCA.
25. **Term and Amendments.** This In-Lieu Agreement will be reviewed and renewed at the end of one (1) year from date of execution by all parties. Amendments and/or revisions to this Agreement may be made and incorporated at that time by mutual consent of all parties in writing.

IN WITNESS WHEREOF, the Parties hereto have executed this In-Lieu Agreement as of the day and date first above written.

ATTEST:

ANTELOPE VALLEY STATE WATER
CONTRACTORS ASSOCIATION (AVSWCA)

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ANTELOPE VALLEY-EAST KERN
WATER AGENCY (AVEK)

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ANTELOPE VALLEY-EAST KERN
WATER AGENCY (AVEK)
(CUSTOMER)

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ANTELOPE VALLEY-EAST KERN
WATER AGENCY (AVEK)

By: _____

(PUBLIC/PRIVATE ENTITY)

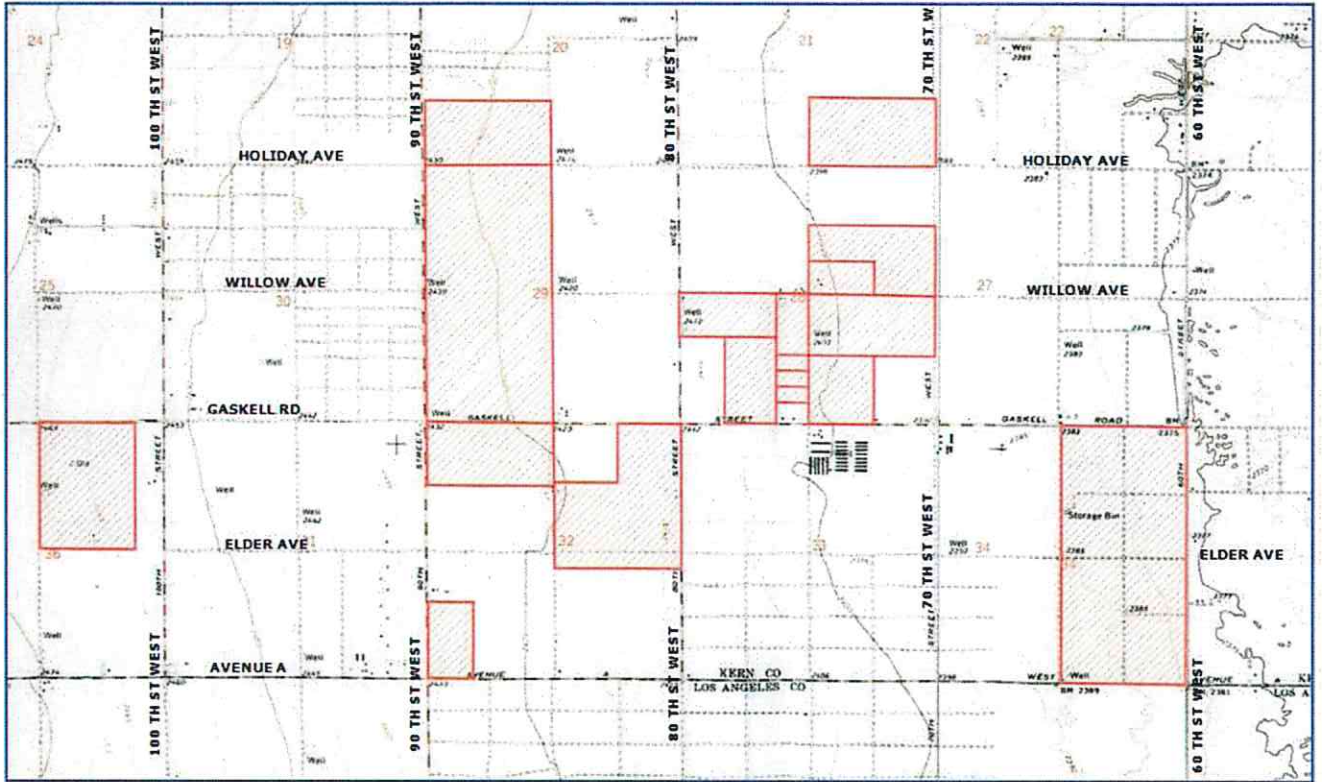
Title: _____

By: _____

Title: _____

Exhibit "A"

Customer's Property



IN-LIEU AGREEMENT

This In-Lieu Agreement is entered into on , 2013 , by and between the Antelope Valley State Water Contractors Association (AVSWCA), the Antelope Valley-East Kern Water Agency (AVEK), the Antelope Valley-East Kern Water Agency (AVEK) (Customer), and Tejon Ranch Company (Public/Private Entity) and shall apply to In-Lieu Banking Water stored in the Antelope Valley for ultimate use within the boundaries of the AVSWCA's member agencies.

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The mission of the Antelope Valley State Water Contractors Association is to facilitate the maximum use of the water resources of the Antelope Valley for the public benefit in the Antelope Valley by:

- Developing groundwater storage programs
- Facilitating communication and public outreach on water issues
- Creating partnerships to enhance the reliability of long-term water supplies
- Seeking funding opportunities for infrastructure and water supply projects

RECITALS

WHEREAS, the Antelope Valley State Water Contractors Association is a California Joint Powers Authority, pursuant to Gov. Code §6500.

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Initial balance of Banking Rate (see Paragraph 4 below):	<u>\$116/AF</u>
--	-----------------

Estimated Pumping costs for recovery of banked water (summer rate)	<u>\$150/AF</u>
--	-----------------

Estimated Treatment and Delivery costs	<u>\$110/AF</u>
--	-----------------

Total	<u>\$376/AF</u>
-------	-----------------

Compared to AVEK's 2012 summer treated water rate of: \$400/AF

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Total Cost of Banking Water: \$216/AF

Estimated Cost of pumping groundwater: \$110/AF

Incentive discount to Customer: (\$10/AF)

Final Customer cost of pumping groundwater: \$100/AF

Remaining cost to be paid by Public/Private Entity:
$$\$216/AF - \$100/AF = \underline{\$116/AF}$$

5. **Storage.** The parties hereto agree that Public/Private Entity shall be deemed to have received a credit of one (1) acre-foot of water in storage for every acre-foot of Banking Water that Public/Private Entity has agreed to recompense AVEK towards water sold to Customer under the In-Lieu Water Banking Program, unless contrary to the judgment ultimately rendered in the ANTELOPE VALLEY GROUNDWATER CASES (JCCP 4408). The Banking Water will be considered stored at the location where the Banking Water is used in-lieu of groundwater.
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7. **Withdrawal of Water.** The parties hereto further agree that Public/Private Entity may withdraw water from storage by written request to AVSWCA, unless contrary to the judgment ultimately rendered with ANTELOPE VALLEY GROUNDWATER CASES. Water may be withdrawn at a rate subject to available capacity. Prior to becoming eligible to withdraw water from storage, Public/Private Entity must have received In-Lieu Water credit in the storage basin prior to the current AVEK fiscal year. The amount of water withdrawn shall not exceed the amount of water previously stored by Public/Private Entity.

8. **Verification.** At any time during the term of this Agreement, AVEK may determine that further data or investigation is needed to support the claim of Customer as to the level of non-pumping of Customer. AVEK may request that Customer provide such further data or allow such further investigation. AVEK shall have the right to withhold any additional Banking Water until any such additional data is provided or any necessary investigation is completed, and until AVEK is satisfied the Customer is entitled to such additional Banking Water.
9. **Accounting.** The parties will negotiate in good faith regarding accounting and notification of water deliveries. AVSWCA will separately record and account for the total amount of water in storage by Public/Private Entity during the term of this Agreement. AVSWCA shall calculate additions and extractions of water banked under this agreement, and maintain an account of all such water.
10. **Regulations.** AVEK's rules and regulations for groundwater banking shall apply to this In-Lieu Agreement.
11. **Losses.** Water stored pursuant to this Agreement shall be stored in Public/Private Entity's storage account and shall not be subject to losses.
12. **Water Quality.** The quality of water delivered and/or stored pursuant to this Agreement shall not be detrimental to the area in which storage will occur.
13. **Dispute Resolution.** In the event any Party commences legal proceedings against the other to enforce the terms hereof, or to declare rights hereunder, as the result of the breach of any covenant or condition of this Agreement, the prevailing Party in any such proceeding shall be entitled to recover from the losing Party the reasonable costs and attorney's fees, incurred in connection therewith. Except as otherwise expressly provided herein, all Parties shall bear their own costs and attorney's fees.
14. **Indemnification.** Except for resolution of disputes pursuant to Paragraph 13 above, Customer and Public/Private Entity shall save and hold harmless AVSWCA, its officers, agents and employees from any and all costs, damages or liability resulting from this Agreement or its implementation.
15. **Non-Transferable.** This Agreement is not assignable or transferable, except to the lawful successor of either Party, and cannot in any way be hypothecated by Customer.
16. **Amendment.** This Agreement shall be amended only upon written agreement of the Parties.

17. **Entire Agreement.** This Agreement is the entire Agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Parties with respect to the matters contained in this Agreement. Any waiver, modification, consent of acquiescence with respect to any provision of this Agreement shall be set forth in writing and duly executed by, or on behalf of the party to be bound thereby. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.
18. **Notices.** Any communication, notice or demand of any kind whatsoever which either party may be required or may desire to give to or serve upon the other shall be in writing and delivered by personal service (including courier service), by facsimile communication, by Federal Express, UPS or other overnight delivery, or by registered or certified mail, postage prepaid and return receipt requested. Any party may change its mailing address or facsimile number by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service; on the date of confirmed dispatch, if by facsimile communication; on the day after delivery if by "overnight courier;" on the third (3rd) day after being placed in the U. S. mail, if mailed first class, whether or not registered or certified.
19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. The only venue and forum for the resolution of any dispute regarding the interpretation or enforcement of this Agreement shall be in the Superior Court of the State of California in and for the County of Santa Clara, Central Judicial District, California, ANTELOPE VALLEY GROUNDWATER CASES, Case No. 1-05-CV-049053 (JCCP 4408), or such other forum as the Judgment may subsequently be assigned.
20. **Construction.** The language in all parts of this Agreement shall be in all cases construed simply, according to its fair meaning, and not strictly for or against any of the Parties hereto. Section headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement. References to "Paragraphs" are to Paragraphs of this Agreement, unless otherwise specifically provided.
21. **Good Faith.** The Parties agree to perform their obligations herein in "good faith" and shall do all things reasonably necessary to carry out the intent and/or to implement the terms of this Agreement.

22. **Binding Effect.** All of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and to their respective representatives, agents and lawful successors.
23. **Continued Validity.** If any provision of this Agreement, or its application to any person, place, or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable, or void, such provision shall be enforced to the greatest extent permitted by law, and the remainder of this Agreement shall remain in full force and effect.
24. **Adjudication.** This agreement and all terms and conditions set forth within are subject to any Judgment which may be entered in the ongoing Adjudication; the ANTELOPE VALLEY GROUNDWATER CASES, (JCCP 4408), resolving the groundwater rights within the Antelope Valley and future rules and regulations which may be developed by a Court appointed Watermaster or the Board of Directors of AVSWCA.
25. **Term and Amendments.** This In-Lieu Agreement will be reviewed and renewed at the end of one (1) year from date of execution by all parties. Amendments and/or revisions to this Agreement may be made and incorporated at that time by mutual consent of all parties in writing.

IN WITNESS WHEREOF, the Parties hereto have executed this In-Lieu Agreement as of the day and date first above written.

ATTEST:

ANTELOPE VALLEY STATE WATER
CONTRACTORS ASSOCIATION (AVSWCA)

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ANTELOPE VALLEY-EAST KERN
WATER AGENCY (AVEK)

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ANTELOPE VALLEY-EAST KERN
WATER AGENCY (AVEK)
(CUSTOMER)

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

Tejon Ranch Company

(PUBLIC/PRIVATE ENTITY)

By: _____

By: _____

Title: _____

Title: _____

Exhibit "A"

Customer's Property

