



# PALMDALE WATER DISTRICT

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

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[www.palmdalewater.org](http://www.palmdalewater.org)

LAGERLOF, SENEAL, GOSNEY & KRUSE LLP  
Attorneys



## Board of Directors

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Division 5

March 21, 2013

*Agenda for Regular Meeting  
of the Board of Directors of the Palmdale Water District  
to be held at the District's office at 2029 East Avenue Q, Palmdale  
Wednesday, March 27, 2013  
7:00 p.m.*

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

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

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

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

- 1) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:

- 5.1) Water Awareness School Educational Program contest winners. (Water Conservation Supervisor Beck)
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 6.1) Approval of minutes of regular meeting held March 13, 2013.
  - 6.2) Payment of bills for March 27, 2013.
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 7.1) Public hearing regarding Resolution No. 13-6, a Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units. (Engineering Manager Knudson)
  - 7.2) Consideration and possible action to adopt Resolution No. 13-6, a Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units. (Engineering Manager Knudson)
  - 7.3) Consideration and possible action on District membership in Greater Antelope Valley Economic Alliance. (\$2,500.00 – Budgeted – General Manager LaMoreaux)
  - 7.4) Consideration and possible action on awarding a Professional Services Agreement to conduct a Water Supply Fee analysis based on the adopted Strategic Water Resources Plan. (\$23,851.00 – Budgeted – Engineering Manager Knudson/Water Supply & Reliability Committee)
  - 7.5) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
    - a) California Special Districts Association “Special Districts Legislative Days” to be held May 14 – 15, 2013 in Sacramento.
- 8) Information Items:
  - 8.1) Reports of Directors: Meetings/Committee Meetings/General Report.
  - 8.2) Report of General Manager.
    - a) District vacancies.
    - b) Palmdale Recycled Water Authority status.
  - 8.3) Report of Attorney.
- 9) Public comment on closed session agenda matters.

- 10) Closed session under:
  - 10.1) Government Code Section 54956.9(a), existing litigation: *Antelope Valley Ground Water Cases*.
  - 10.2) Government Code Section 54956.9(a), existing litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW*.
  - 10.3) Government Code Section 54956.9(a), existing litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561*.
  - 10.4) Government Code Section 54956.9(a), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.
  - 10.5) Government Code Section 54956.9(a), pending litigation: *Miller v. Fairweather, et al, Los Angeles Superior Court Case No. MC023677*.
- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.

  
DENNIS D. LaMOREAUX,  
General Manager

DDL/dd

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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**DATE:** March 20, 2013 March 27, 2013  
**TO:** BOARD OF DIRECTORS Board Meeting  
**FROM:** Mr. Matthew Knudson, Engineering Manager  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO.'S 7.1 AND 7.2 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 13-6 MODIFYING THE POLICY REGARDING CAPITAL IMPROVEMENT FEES FOR SINGLE FAMILY RESIDENTIAL UNITS***

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**Recommendation:**

The District periodically updates its Capital Improvement Plan (CIP) to determine if any changes are necessary. The Capital Improvement Fees (CIF) which fund projects included in the CIP must also be considered. The following agenda items provide for the public hearing and action items needed to act on the 2013 CIF update.

**AGENDA ITEM NO. 7.1:** The public hearing has been advertised as required by the government code in the Public Notice section of the Antelope Valley Press (March 17, 2013). District staff met with and provided copies of the draft resolution to a representative from the Building Industry Association (BIA) to provide an overview of the District's existing CIP and CIF policy and reviewed the proposed CIF increase. The BIA representative appreciated that the District ties the estimated construction costs to the Construction Cost Index. Notice of said hearing and copies of the draft resolution and fee structure was also sent to City of Palmdale Planning and LA County Regional Planning.

**AGENDA ITEM NO. 7.2:** Staff recommends approving attached Resolution No. 13-6. The estimated cost of the projects in the CIP were determined as part of the 2001 Water System Master Plan completed by MWH and are tied to the Engineering News Record (ENR) Construction Cost Index. This allows the District to ensure the construction estimates are adequate by using the Index to modify the construction costs. The index has gone up approximately 20% between June, 2006 and June, 2012. The actual CIF for single family residential units have increased between 27.7% and 41.7% depending on the service zone. The proposed increase is due to a combination of the Construction Cost Index increase and the actual total costs associated with several of the improvements listed in the table entitled "2001 Master Plan Recommended Improvements." Resolution No. 13-6 is written for the consideration of the Board to approve the Capital Improvement Fee increase.

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

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March 20, 2013

**Background**

The District acts on behalf of the residents and business owners within its boundaries to obtain, treat, and deliver water for their use and fire protection. Facilities are needed to make this possible. The facilities fall into two general categories: existing and future. Existing customers support the maintenance activities and regulatory improvements for existing facilities through water rates. Future facilities required to serve new customers and developments are funded by the new customers/developers through the CIF.

The CIF structure provides construction funds for the facilities needed for safe, reliable water service to new customers. These facilities include new booster stations, water storage reservoirs, water transmission mains, expanding water treatment capabilities and the strengthening of Littlerock Dam. The number, nature, and location of the facilities are determined through a planning study. The study first evaluates the District's existing water treatment and distribution system. The projected number of new services and their water demand are then applied to the system and facilities are identified to meet the additional demands. The impact of constructing and operating the new facilities are examined by preparing an EIR. After the EIR is adopted, construction estimates for the facilities are tabulated and, finally, the CIF is determined. The CIF is then reviewed periodically and adjusted for changes in Construction Cost Index and number of new service connections.

The latest such study was the 2001 Water System Master Plan. It evaluated the facilities needed to respond to future growth within the District's primary service area. The facilities include nearly nine miles of large water mains, water tanks totaling 26 million gallons of storage, four new or modified booster stations and a new ten million gallon per day water treatment plant. A complete list of the facilities is provided in the attached table entitled "2001 Master Plan Recommended Improvements."

CIF's for new connections are established in relation to the benefits received from the new facilities. The District's water distribution system is broken into service zones based on elevation. Each zone has specific facilities and new services associated with it. There are also facilities that benefit the entire District. The CIF in a particular zone is based on the cost of facilities in that zone, District-wide facilities, and facilities in other zones which benefit the zone. For example, the CIF in a high elevation zone includes facility costs in that zone, a portion of the facility costs in lower zones that move water up to it, and a contribution to system-wide projects like a water treatment plant or Littlerock Dam. The costs are then divided among the projected new services in the zone.

The CIF's also reflect the impact or capacity of a new connection to the water distribution system. The CIF in each service zone is established for 3/4" single family residential services in the manner described above. The CIF for tract housing is determined directly from this. The CIF for a larger service is based on the ratio of the service size cross-section area to that of a 3/4" service. For example, the CIF for a 1-1/2" service is four times that of a 3/4" service because the cross-sectional area is four times greater.

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VIA: Mr. Dennis LaMoreaux, General Manager

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March 20, 2013

New commercial/industrial and multifamily residential connections are also determined based on the impact as compared to a single family connection. This applies to both the larger connections needed and the higher fire flow requirements of the projects. The method of determining the CIF in this manner was first established and used in the District's 1989 Master Plan Update EIR. The District's policy was later modified to reflect the lesser impact from smaller commercial projects. The CIF for commercial/industrial projects can only be determined after fire flow requirements are established by the Los Angeles County Fire Department.

**Strategic Plan Element**

Strategic Goal 3.1 – Plan for improvements and expansion of existing water delivery infrastructure

**Budget**

This item will have no impact to the 2013 Budget. The adoption of Resolution No. 13-6 will allow the District to collect the necessary funds to design and construct facilities identified in the 2001 Water System Master Plan from new customers/developers vs. having the existing customers/rate payers pay for the facilities necessary to support future growth.

**Supporting Documents**

Proposed Resolution No. 13-6  
Copy of Affidavit of Publication – AV Press  
Existing Capital Improvement Fee Policy

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
PALMDALE WATER DISTRICT MODIFYING THE POLICY REGARDING  
CAPITAL IMPROVEMENT FEES  
FOR SINGLE FAMILY RESIDENTIAL UNITS**

**RESOLUTION NO. 13-6**

WHEREAS, following an update of its master plan in 1989, Palmdale Water District ("District") adopted a Capital Improvement Plan ("CIP") and a Capital Improvement Fee Policy ("Policy") which is set forth in Exhibit "H" to the District's Rules and Regulations; and

WHEREAS, the Policy established Capital Improvement Fees ("CIF") to be paid in connection with new service connections within the District's service area; and

WHEREAS, the new capital improvements identified in the CIP are the basis for determining the CIF under the Policy; and

WHEREAS, the purpose of the CIF is to create a fund to finance the estimated reasonable cost of capital improvements shown on the CIP to meet anticipated demand for water service arising from new connections; and

WHEREAS, as required under California Government Code Section 66002(b), the District has annually reviewed and, when necessary, updated the CIP and, based upon changes to the CIP, has modified the Policy and adjusted the CIF in accordance therewith; and

WHEREAS, since the initial planning period for the CIP would have expired in 1996, the District engaged Montgomery Watson in June, 1995, to review, study and update its master plan and to make recommendations to modify the CIP to meet projected needs and demands through the year 2005; and

WHEREAS, in January, 1996, Montgomery Watson submitted its final report entitled Water System Master Plan ("1996 Master Plan"), which report, among other things, made recommendations concerning the CIP to meet projected growth and development through year 2005; and

WHEREAS, on September 19, 1996, the District adopted the 1996 Master Plan which contained an updated CIP; and



WHEREAS, the 1996 Master Plan constituted an updating of the CIP, which update included the identification of recommended capital improvements to the District's water system and the estimated cost of constructing the capital facilities required to accommodate projected growth and development through year 2005; and

WHEREAS, following properly noticed and conducted public hearings in 1997, 1998, 1999, and 2000, the District duly adopted resolutions which updated the Capital Improvement Policy and modified the CIF; and

WHEREAS, in 2000, the District retained Montgomery Watson to review, study, and update the 1996 Master Plan and, among other things, make recommendations concerning the CIP to meet projected needs through year 2010; and

WHEREAS, in March 2001, Montgomery Watson submitted its final report entitled Water System Master Plan ("2001 Master Plan") including recommended modifications of the CIP, and the District has approved that report and adopted it as the District's 2001 Master Plan; and

WHEREAS, following properly noticed and conducted public hearings in 2001, 2002, 2003, 2004, 2005, and 2006 the District adopted Resolutions which updated the Capital Improvement Policy and modified the CIF; and

WHEREAS, in light of the economic slowdown which has impacted growth and development within the District in the past five years, the District has not made changes to the CIP over those years; and

WHEREAS, the District has considered the increased costs of constructing the capital facilities identified in the CIP which have occurred since the last modification of the CIF in 2006, and the impact on capital improvement fees payable under the policy and has documented those changes in the attached table titled "Comparison to 2006-2007 CIF Schedule" and determined that the policy and the fees should be modified; and

WHEREAS, the District has given and published the required notices and conducted a public hearing with respect to the proposed modification of the Policy and CIF payable thereunder; and

WHEREAS, the Board of Directors of Palmdale Water District has found and determined that the establishment of capital improvement fees is exempt from the requirements of the California Environmental Quality Act pursuant to California Public Resources Code Section 21080(b)(8) and further has found and determined that said fees are for the purpose of obtaining funds for capital projects necessary to maintain service within existing service areas.



NOW, THEREFORE, BE IT RESOLVED that, the Board of Directors of Palmdale Water District hereby modifies and amends the Policy by deleting the existing Table 1 from Appendix "H" to the District's Rules and Regulations and inserting in place thereof proposed Table 1 attached hereto and incorporated herein.

FURTHER RESOLVED, that the General Manager of the District be and he hereby is, authorized and directed to implement this modified Policy until further order of the Board.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a duly called and noticed public meeting of said Board held on March 27, 2013.

\_\_\_\_\_  
President

\_\_\_\_\_  
(date)

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
(date)

**PALMDALE WATER DISTRICT**  
**2013**  
**CAPITAL IMPROVEMENT FEE DETERMINATION**

2013 Capital Improvement Fee Summary per Service Zone					
Comparison to 2006-2007 CIF Schedule					
Service/Benefit Zone	Service Zone				
	2800' & 2850'	2950' & 3000'	3200' & 3250'	3400' & 3400'+	
All Zones	\$ 5,064	\$ 5,064	\$ 5,064	\$ 5,064	
2800'/2850'	\$ 2,287	\$ 555	\$ 555	\$ 555	
2950'/3000'		\$ 1,573	\$ 698	\$ 698	
3200'/3250'			\$ 8,187	\$ 5,634	
3400'/3400'+				\$ 5,738	
CIF for Zone:	\$ 7,351	\$ 7,192	\$ 14,504	\$ 17,689	
'06-'07 CIF:	\$ 5,343	\$ 5,075	\$ 11,309	\$ 13,857	
Difference:	\$ 2,008	\$ 2,117	\$ 3,195	\$ 3,832	
% Change:	37.6%	41.7%	28.3%	27.7%	

2013 Capital Improvement Fee Summary per Service Zone					
Proposed Table 1, Appendix H					
Service/Benefit Zone	Service Zone				
	2800' & 2850'	2950' & 3000'	3200' & 3250'	3400' & 3400'+	
All Zones	\$ 5,064	\$ 5,064	\$ 5,064	\$ 5,064	
2800'/2850'	\$ 2,287	\$ 555	\$ 555	\$ 555	
2950'/3000'		\$ 1,573	\$ 698	\$ 698	
3200'/3250'			\$ 8,187	\$ 5,634	
3400'/3400'+				\$ 5,738	
CIF for Zone:	\$ 7,351	\$ 7,192	\$ 14,504	\$ 17,689	

# 2001 MASTER PLAN RECOMMENDED IMPROVEMENTS

Description	2012 Costs (ENR index = 10299.55)		2006 Costs (ENR index = 8546.72)		2005 Costs (ENR index = 8299.28)		2004 Costs (ENR index = 7844.00)	
<b>A. Entire System</b>								
1. Adjustments preceding 2001	\$	20,591,000	\$	20,591,000	\$	20,591,000	\$	20,591,000
2. 10 mgd Water Treatment Plant Conventional Plant with Ozone Disinfection (WTP) – 47th & Aqueduct	\$	22,519,831	\$	18,687,291	\$	18,146,267	\$	17,150,803
3. 4,000 ft of 20-inch pipe – 47th St. E. from Ditch to Aqueduct – raw water	\$	1,005,740	\$	834,578	\$	810,416	\$	765,958
4. Aqueduct Turn-Out	\$	1,093,194	\$	907,149	\$	880,886	\$	832,563
5. 5 MG Clearwell – New WTP	\$	2,623,669	\$	2,177,160	\$	2,114,128	\$	1,998,152
6. 120 hp booster pump – WTP to 3000 zone	\$	816,253	\$	677,339	\$	657,729	\$	621,647
7. 4,000 ft of 16-inch pipe – 47th St. E. from WTP to Pearblossom Highway	\$	815,442	\$	676,666	\$	657,076	\$	621,030
8. Engineering	\$	291,519	\$	241,907	\$	234,903	\$	222,017
9. Environmental	\$	291,519	\$	241,907	\$	234,903	\$	222,017
Sub-Total for Entire System	\$	50,048,167	\$	45,034,997	\$	44,327,308	\$	43,025,187
<b>B. 2800 Zone</b>								
1. Adjustments preceding 2001	\$	(1,479,000)	\$	(1,479,000)	\$	(1,479,000)	\$	(1,479,000)
2. One new well in Lancaster subbasin	\$	1,093,194	\$	907,149	\$	880,886	\$	832,563
3. 4MG Tank – 45th Street Tank site	\$	1,862,336	\$	1,862,336	\$	1,691,302	\$	1,598,521
Sub-Total for 2800 zone	\$	1,476,530	\$	1,290,485	\$	1,093,188	\$	952,084
<b>C. 2850 Zone</b>								
1. 4 MG Storage Tank – 50th St. E. & Ave. T-8	\$	2,849,506	\$	2,849,506	\$	2,849,506	\$	1,598,521
2. 4 MG Storage Tank – 50th St. E. & Ave. T-8	\$	1,862,336	\$	1,862,336	\$	1,691,302	\$	1,598,521
3. 7,600 feet of 24-inch pipe – 47th St. E and 50th St. E between Ft. Tejon Rd. and Tank Site	\$	1,183,744	\$	1,183,744	\$	1,183,744	\$	1,687,200
4. 120 hp booster pump from 2800 to 2850 zones – 45th St. Tank site	\$	2,252,250	\$	2,252,250	\$	2,252,250	\$	1,764,000
5. 2,300 feet of 24-inch pipe – 45th St. E. from 45th St. Tanks to 50th St. E.	\$	394,581	\$	394,581	\$	394,581	\$	510,600
6. 6,000 feet of 16-inch pipe – Ave. R-12, 55th St. E., and Ave. R-11	\$	1,472,170	\$	1,221,629	\$	1,186,261	\$	1,121,185
7. Four Pearland subbasin new wells	\$	3,498,226	\$	2,902,880	\$	2,818,837	\$	2,664,202
Sub-Total for 2850 zone	\$	13,512,813	\$	12,666,926	\$	12,376,481	\$	10,944,229
2800 and 2850 Total	\$	14,989,343	\$	13,957,411	\$	13,469,669	\$	11,896,313
<b>D. 2950 Zone</b>								
1. Adjustments preceding 2001	\$	1,225,000	\$	1,225,000	\$	1,225,000	\$	1,225,000
2. 2 MG Storage Tank – Lower El Camino Tank site	\$	1,325,597	\$	1,100,000	\$	916,121	\$	865,865
3. 12-inch PRV at Well No. 20 (3000'-2950')	\$	152,025	\$	126,153	\$	119,233	\$	112,692
4. Four Pearland subbasin equip existing cased wells	\$	2,186,392	\$	1,814,301	\$	1,761,774	\$	1,665,127
5. One Pearland subbasin new well	\$	874,558	\$	725,721	\$	704,710	\$	666,051
Sub-Total for 2950 zone	\$	5,763,572	\$	4,991,175	\$	4,726,838	\$	4,534,735
<b>E. 3000 Zone</b>								
No improvements requiring capital expenditures.								
2950 and 3000 Total	\$	5,763,572	\$	4,991,175	\$	4,726,838	\$	4,534,735
<b>F. 3200 Zone</b>								
1. 2 MG Storage Tank –SW ¼, Sec. 11, T5N, R12W, W/o Sierra Hwy.	\$	1,325,597	\$	1,100,000	\$	916,121	\$	865,865
2. 2,900 ft. of 16-inch pipe – between Sierra Hwy & 2 MG Tank to the west	\$	581,215	\$	482,301	\$	468,338	\$	442,646
3. 6,200 ft. of 16-inch pipe – between Well No. 5 and end of item No. 2	\$	1,242,600	\$	1,031,128	\$	1,001,275	\$	946,347
Sub-Total for 3200 zone	\$	3,149,412.00	\$	2,613,429.00	\$	2,385,734	\$	2,254,858
<b>G. 3250 Zone</b>								
1. Adjustments preceding 2001	\$	3,219,000	\$	3,219,000	\$	3,219,000	\$	3,219,000
2. 3 MG Tank – College Park	\$	1,988,395	\$	1,650,000	\$	1,268,477	\$	1,198,891
3. 175 hp booster pump to 3 MG Tank – 47th St. E. Tank site	\$	1,049,469	\$	870,865	\$	845,652	\$	799,261
4. 8,000 ft of 16-inch pipe – Booster station to tank	\$	1,603,352	\$	1,330,485	\$	1,291,966	\$	1,221,092
Sub-Total for 3250 zone	\$	7,860,216	\$	7,070,350	\$	6,625,095	\$	6,438,244
3200 and 3250 Total	\$	11,009,628	\$	9,683,779	\$	9,010,829	\$	8,693,102
<b>H. 3400 Zone</b>								
1. Adjustments preceding 2001	\$	687,000	\$	687,000	\$	687,000	\$	687,000
2. 1 MG storage tank – Upper El Camino Tank site	\$	662,798	\$	550,000	\$	528,533	\$	499,539
3. 2 MG Tank – MI, Emma Rd.	\$	1,325,597	\$	1,100,000	\$	916,121	\$	865,865
4. 55 hp booster pump to 2 MG Tank – College Park Tank site	\$	481,006	\$	399,146	\$	387,590	\$	366,328
5. 8,700 ft of 16-inch pipe – Booster Station to 2 MG Tank	\$	1,821,992	\$	1,511,916	\$	1,468,144	\$	1,387,605
Sub-Total for 3400 zone	\$	4,978,393	\$	4,248,062	\$	3,987,388	\$	3,806,337
Total Future (10-year CIP)	\$	86,789,103	\$	77,915,424	\$	75,522,032	\$	71,955,674

## Notes:

- Costs include 20% for contingencies and 25% for engineering, administration and legal costs.
- LA ENR Construction Cost Index of 10299.55 (June, 2012)
- \*2001 Costs were based on 2000 ENR Index
- Item B3 is constructed and actual cost included
- Items C1 through C5 are constructed and actual costs included
- One of Four of the wells is constructed and actual cost included
- Item D3 is constructed and actual cost is included
- Costs include adjusted estimates for storage tanks based on recent actual cost unit values

# AFFIDAVIT OF PUBLICATION

(2015.5 C.C.P.)

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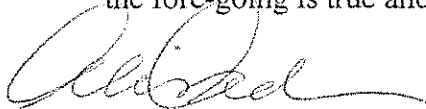
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## NOTICE OF PUBLIC HEARING RESOLUTION 13-6

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Antelope Valley Press, a newspaper of general circulation, printed and published daily in the City of Palmdale, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under date of October 24, 1931, Case Number 328601; Modified Case Number 657770 April 11, 1956; also operating as the Ledger-Gazette, adjudicated a legal newspaper June 15, 1927, by Superior Court decree No. 224545; also operating as the Desert Mailer News, formerly known as the South Antelope Valley Foothill News, adjudicated a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California on May 29, 1967, Case Number NOC564 and adjudicated a newspaper of general circulation for the City of Lancaster, State of California on January 26, 1990, Case Number NOC10714, Modified October 22, 1990; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

March 17, 2013

I certify (or declare) under penalty of perjury that  
the fore-going is true and correct.



Signature

Dated: March 18, 2013

Executed at Palmdale, California

*Valley Press*

37404 SIERRA HWY., PALMDALE CA 93550  
Telephone (661)267-4112/Fax (661)947-4870

**PALMDALE WATER DISTRICT  
NOTICE OF PUBLIC HEARING  
FOR  
MODIFYING PALMDALE WATER DISTRICT'S POLICY  
REGARDING CAPITAL IMPROVEMENT FEES FOR  
SINGLE FAMILY RESIDENTIAL UNITS  
(California Govt. Code §66002(b))**

NOTICE IS HEREBY GIVEN that Palmdale Water District will hold a public hearing on March 27, 2013, at 7:00 p.m., or as soon thereafter as the matter may be heard, in the Board room of Palmdale Water District's office at 2029 East Avenue O, Palmdale, California 93550, to consider adoption of District Resolution No. 13-6, entitled, "Resolution of the Board of Directors of Palmdale Water District Modifying the Policy Regarding Capital Improvement Fees for Single Family Residential Units."

Specifically, the District's Board of Directors will be considering increases in the District's Capital Improvement Fees applicable to new residential construction that may occur within the District's service area.

In addition, relevant documents may be viewed on the District website at: [www.palmdalewater.org](http://www.palmdalewater.org)

For further information regarding this matter, you may contact Mr. Matthew Knudson, Engineering Manager, at Palmdale Water District, at (661) 456-1018.

Written comments are requested by the close of business on March 26, 2013, but in all events by the end of the public hearing.  
Publish: 3/17/13

charge shall be credited against the current per acre charge set forth in Appendix G.

E. **Exemptions:** The Lakeshore No. 1, Lakeshore No. 2 and Ana Verde Special Assessment District are exempted from this charge.

F. **Westmont Improvement District:** There shall be a credit for payments made by virtue of special assessments of the Westmont Improvement District against the applicable Assessment Parity Charge.

**10.07: CAPITAL IMPROVEMENT FEE (Revised 12-13-06)**

In order to provide funds for the construction of District facilities to meet water demands created by future development, the Board has determined that developers shall be required to contribute toward the cost of constructing the additional facilities required to meet increasing demands for water service. In order to implement this determination and to comply with all legal requirements pertaining to such development fees, the Board authorized a study of the District's system and facilities which resulted in an updated master plan known as "Master Plan Supplement August 1989." Included in this supplement was a "Capital Improvement Cost and Benefit Study" and map identifying all capital improvements considered in developing the current policy and schedule of fees. All of these documents constitute the District's Capital Improvement Plan which shall be updated each year. To the extent any such update changes the Capital Improvement Plan or Schedule of Fees, this policy shall also be updated and modified to be consistent with said changes and modified plan.

A. **Purpose:** The purpose of the Capital Improvement Fee is to create a fund to finance the estimated reasonable cost of capital improvements required to meet anticipated demands for water service arising from

new residential, commercial and industrial development within the District's service area.

- B. **Elevation Zones:** Given the nature of a water service system and the topographic and geographic characteristics of the District's service area, the Capital Improvement Fees to be imposed on new developments are segregated by elevation zone. The purpose of this segregation is, to the extent possible, to fairly allocate the fees accordingly to the benefit derived from the capital improvements to be constructed. Accordingly, different fees will be charged under this policy depending upon the elevation zone in which the ultimate water consumer is or will be located, as well as by type of service involved.
- C. **Single Family Residential Connections:** The Board has determined that anticipated water usage based on historical data should be the primary basis for determining Capital Improvement Fees for residential connections. As explained in the Capital Improvement Cost and Benefit Study, residential water usage varies depending on whether the connection is for a single family residence or part of a larger residential complex such as apartments, condominiums or mobile home parks. As explained in the study, the District made an analysis of water usage by type of residential dwelling unit. This analysis led to the development of an "equivalent dwelling unit" equating two multiple family dwelling units to each single family dwelling unit for purposes of the Capital Improvement Fee as applied to residential units. Thus, developers of residential units, regardless of type, are assessed a Capital Improvement Fee for each equivalent dwelling unit, depending upon the applicable elevation zone. The schedule of such fees applicable to single family residential units is set forth in Table 1 of Appendix H. In cases where a single family

residential connection requires a fire flow requirement specified by the County of Los Angeles which is in excess of 1250 GPM for two hours, the method of calculating said Capital Improvement Fee is attached hereto as Appendix H.

**D. Commercial/Industrial and Multifamily Residential Connections:**

The Board has determined fire flow requirements specified by the County of Los Angeles and the domestic usage of these connections should be the primary basis for determining the capital improvement fees for commercial/industrial and multifamily residential connections. The developer will be assessed a capital improvement fee based upon the fire flow and domestic water demands. The method of calculating capital improvement fees for commercial/industrial and multifamily residential developments are set forth in Appendix H.

**E. Temporary Structure Connections:** The Board recognizes that the amount of the capital improvement charge for nonresidential services should be adjusted in the event the structure to which service is to be provided is a temporary structure. The District policy is to provide for some proportionate reimbursement of such charges based upon the duration of service. For purposes of this paragraph, a "temporary structure" is one manufactured under state license in whole or in sections in a factory, transported to a site, placed and, if in sections, joined together thereon and may be disconnected and removed in the same configuration as initially delivered and placed. When a party applies for water service for a temporary structure, the District capital improvement fee calculated pursuant to Appendix H shall be applied and paid. In the event that the water service is discontinued and the temporary structure removed from the site prior to the running of a 10 year period following payment of the capital improvement fee, the



District will reimburse the applicant, or the applicant's designated successor, an amount equal to:

$$\text{Reimbursement} = \frac{\text{CIF} - \text{CIF (n)}}{120}$$

For purposes of this formula, the following definitions apply:

1. "C.I.F." means the amount of capital improvement fee originally paid.
2. "n" means the time expressed in months up to a maximum of 120 months that water service was provided to the temporary structure following payment of the capital improvement fee.

**10.08: MAIN EXTENSIONS** (Revised 7-1-08)

The District has determined that sound engineering and economic practices require that water system facilities be designed and constructed in order to provide hydraulic integration. This will allow consumers to obtain more dependable supplies of water. If an applicant's property does not front upon an existing distribution main of the District, such applicant shall, in addition to any and all other charges, be required to pay the cost of a main extension of a size to be determined by the District. The size of the extended main may be larger than that required to serve the applicant in which case the applicant shall be entitled to reimbursement in accordance with the District's Main Extension Reimbursement Policy, as set forth in Article 11.03. In addition, the cost may include the cost of providing a circulating line to avoid a dead-end line if deemed necessary by the District.

- A. **Payment of Costs:** Prior to construction by the District, the applicant shall deposit an amount of money equal to the Manager's cost estimate of the work.

# **APPENDIX H** **CAPITAL IMPROVEMENT FEE**

1. *Single Family Residential Developments per Article 10.07C:*

**TABLE 1**

2006-2007 Capital Improvement Fee Summary per Service Zone				
Table 1, Appendix H				
Service/Benefit Zone	Service Zone			
	2800' & 2850'	2950' & 3000'	3200' & 3250'	3400' & 3400'+
All Zones	\$3,803	\$3,803	\$3,803	\$3,803
2800'/2850'	1,719	545	545	545
2950'/3000'		1,018	568	568
3200'/3250'			7,039	4,909
3400'/3400'+				4,855
CIF for Zone:	\$5,522	\$5,366	\$11,955	\$14,680

2. *Commercial/Industrial, Multifamily Residential, and Single Family Residential Developments per Article 10.07:*

For all projects proposing new water service connections, including domestic, irrigation, or fire protection, or projects with no new connections but conditioned with fire flow demands which exceed the original project demands, the capital improvement fees for commercial/industrial, multifamily residential, and single family residential developments shall be calculated as follows:

The capital improvement fee shall be calculated by adding the fire flow demand based on the ratio of fire flow requirements above and beyond that required for a single family residence, 1,250 gpm for 2 hours, and the domestic water demand. The result of these two components represent the total number of equivalent single family units of the development. It is then multiplied by the capital improvement fee required for a single family residence in the subject water service zone as shown in Table 1.

The domestic water demand for commercial/industrial developments is established as the ratio of the requested metered water service connection(s) to a ¾" water service connection. The domestic water demand for multifamily residential developments is established as one-half the number of units in a multifamily residential development.

The domestic water demand for requested water service connections with no fire flow requirements, such as irrigation services, is established as the ratio of the requested metered water service connection(s) to a ¾" water service connection. There will be no fire flow demand included for these water service connections.

The following formulae summarize the procedure for commercial/industrial, multifamily residential, and single family residential developments:

Commercial/Industrial and Single Family Residential Development CIF Calculation

$$\text{C.I.F.} = \left[ \frac{(\text{PFFD} + \text{OSFFD}) - (\text{pffd} + \text{osffd})}{(1250)(2)} + \frac{\text{DSD}^2}{0.75^2} \right] (Z)$$

Multifamily Residential Development CIF Calculation

$$\text{C.I.F.} = \left[ \frac{(\text{PFFD} + \text{OSFFD}) - (\text{pffd} + \text{osffd})}{(1250)(2)} + (\text{MFU})(0.5) \right] (Z)$$

### Definition of Formulae Terms

C.I.F. =	Capital Improvement Fee
PFFD =	New Public Fire Flow Demand = (GPM)(HR)
OSFFD=	New On-Site Fire Flow Demand = (GPM)(HR)
DSD =	Domestic Service Diameter
MFU =	Multifamily Residential Units
Z =	C.I.F. for Single Family Residential in the Subject Zone
pffd =	Old Public Fire Flow Demand = (GPM)(HR)
osffd =	Old On-Site Fire Flow Demand = (GPM)(HR)

### Examples:

1) If a commercial/industrial development in the 2800' Zone has a public fire flow requirement of 2,500 gpm for 2 hours, an on-site fire flow requirement of 1,250 gpm for 2 hours, and a 2-inch domestic service, the capital improvement fee would be calculated as follows:

$$\text{C.I.F.} = \left[ \frac{(2,500)(2) + (1,250)(2)}{(1250)(2)} - \frac{2.0^2}{0.75^2} \right] (\$3,761)$$

$$\text{C.I.F.} = (3.00 - 7.11)(\$3,761) = (10.11)(\$3,761) = \$38,023.71$$

2) If a multifamily residential development in the 2800' Zone has a public fire flow requirement of 2,500 gpm for 2 hours, an on-site fire flow requirement of 1,250 gpm for 2 hours, and 100 residential units, the capital improvement fee would be calculated as follows:

$$\text{C.I.F.} = \left[ \frac{(2,500)(2) + (1,250)(2)}{(1250)(2)} + (100)(0.5) \right] (\$3,761)$$

$$\text{C.I.F.} = (3.00 - 50.00)(\$3,761) = (53.00)(\$3,761) = \$199,333.00$$

3) If a 1.5-inch irrigation service is requested, the capital improvement fee would be calculated as follows:

$$\text{C.I.F.} = \left[ 0 - \frac{1.50^2}{0.75^2} \right] (\$3,761)$$

$$\text{C.I.F.} = (0 + 4.00)(\$3,761) = (4.00)(\$3,761) = \$15,044.00$$

4) If an existing commercial/industrial, multifamily residential or single family residential development in the 2800 zone is conditioned with a new public fire flow requirement which has been increased or upgraded to 2,500 gpm for 2 hours from 1,250 gpm for 2 hours but having no new or upgraded service connection, the capital improvement fee would be calculated as follows:

$$\text{C.I.F.} = \left[ \frac{(2,500)(2) - (1,250)(2)}{(1,250)(2)} \right] (Z)$$

$$\text{C.I.F.} = (1)(\$3,761) = \$3,761$$

**PALMDALE WATER DISTRICT  
RESOLUTION NO. 08-27**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF PALMDALE WATER DISTRICT  
MODIFYING THE POLICY REGARDING  
CAPITAL IMPROVEMENT FEES**

**WHEREAS**, the Palmdale Water District ("District") adopted a Capital Improvement Plan and a Fee Policy ("CIP") which is set forth in Exhibit "H" to the District's Rules and Regulations;

**WHEREAS**, the purpose of the capital improvement fee is to create a fund to finance the estimated reasonable cost of capital improvements to meet anticipated demand for water service arising from new connections;

**WHEREAS**, the CIP established capital improvement fees to be paid in connection with new service connections within the District's service area;

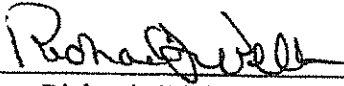
**WHEREAS**, the CIP includes a policy whereby the District would assess the current capital improvement fee (less the previous fee paid) on inactive service connections (as defined in the policy) which may have previously paid a capital improvement fee for new connections but which may have never been activated or became inactive for a period of five (5) years or more;

**WHEREAS**, the "Reactivation of Inactive Service" policy precipitated litigation and provided little benefit to the District;

**WHEREAS**, the District wishes to amend the CIP by deleting the section regarding Reactivation of Inactive Service;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Palmdale Water District hereby modifies and amends its Capital Improvement Fee Policy by deleting paragraph three (3) entitled "Reactivation of Inactive Service" from Appendix H to the District's Rules and Regulations, thereby resulting in a Capital Improvement Fee Policy in the form attached hereto and incorporated herein.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of Palmdale Water District held on December 10, 2008.



Richard "Dick" Wells, President  
Palmdale Water District



\_\_\_\_\_, Secretary  
Palmdale Water District



**RE: AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON DISTRICT MEMBERSHIP IN GREATER ANTELOPE VALLEY ECONOMIC ALLIANCE. (\$2,500.00 – BUDGETED – GENERAL MANAGER LaMOREAUX)**

- GAVEA invoice dated 3/12/13 in the amount of \$2,500.00.

# GAVEA

## Invoice

1028 W. Ave L-12 #101  
Lancaster, CA 93534

Date	Invoice #
3/12/2013	1066

Palmdale Water District  
Dennis LaMoreaux  
2029 E Ave Q  
Palmdale, CA 93550

Due Date

4/15/2013

Description	Amount
Annual Investor Membership	2,500.00
Thank you for your continued support of the Greater Antelope Valley Economic Alliance	
<b>Total</b>	<b>\$2,500.00</b>

(661) 945-2741	(661) 945-7711	info@aveconomy.org	www.aveconomy.org

**P A L M D A L E   W A T E R   D I S T R I C T**  
**B O A R D   M E M O R A N D U M**

**DATE:** March 19, 2013 **March 27, 2013**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Matthew R. Knudson, Engineering Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON AWARDING A PROFESSIONAL SERVICES AGREEMENT TO CONDUCT A WATER SUPPLY FEE ANALYSIS BASED ON THE ADOPTED STRATEGIC WATER RESOURCES PLAN. (\$23,851.00 – BUDGETED – ENGINEERING MANAGER KNUDSON/WATER SUPPLY & RELIABILITY COMMITTEE)***

---

**Recommendation:**

Staff recommends awarding a Professional Services Agreement to Carollo Engineers, Inc. (Carollo) in the not-to-exceed amount of \$23,851.00 to conduct a Water Supply Fee analysis based on the adopted Strategic Water Resources Plan.

This item will be reviewed by the Water Supply & Reliability Committee at their March 22, 2013 meeting.

**Background:**

The District has prepared a Strategic Water Resources Plan (SWRP) to establish guiding objectives and identify necessary steps in order to meet the projected future needs of its customers. Over the next 25 years, the population residing within the District's current service area is expected to more than double. Correspondingly, anticipated supply needs to meet the water demands of these customers is expected to increase. The District has a number of water resource options available to it in order to meet these needs. These include imported water, groundwater, local runoff, recycled water, conservation and water banking. To understand where the District should be placing emphasis, the District has developed the SWRP that considered all the different options available to it, evaluated these options with respect to a variety of factors including cost, reliability, flexibility, implement ability and sustainability.

In order to fund the costs of facilities and acquisitions of new water supplies, the principals followed by the SWRP are as follows:

- New customers establishing new connections must pay for new supplies and the infrastructure to deliver those supplies. This includes funding new imported water acquisition, recharge and recovery facilities, and recycled water facilities.

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

March 19, 2013

- Current and future customers must pay for reliability of current supply up to budgeted allotments for indoor and outdoor usage. This would include the costs of improvements to maintain Littlerock Reservoir, of PWD's share of improvements to the Delta, and of improvements needed to meet water quality standards.
- Those customers choosing to use more than their allotment need to contribute more to help fund water reliability projects including conservation and recycling.
- Current and future customers are to pay for all O&M costs as well as fixed costs of existing systems.

On February 26, staff distributed the attached Request for Proposals (RFP) to Black & Veatch, Carollo Engineers, and RMC. The District received three proposals, and a summary of proposal evaluations is as follows:

Area of Evaluation	Points Possible	Black & Veatch	Carollo	RFC/RMC
Completeness of the Proposal	20	20	20	20
Company qualifications	20	17	20	18
Evaluation of experience	20	15	17	15
Capability to meet District requirements	40	38	40	35
Total:	100	90	97	88
Fee:		\$24,370	\$23,851	\$39,879

All three consultants proposed schedules show completing this work by the end of June, 2013.

**Strategic Plan Element:**

Strategic Goal 2.1 - Ensure adequate water supply for existing and future customers

**Budget:**

The approved 2013 Budget includes \$25,000 under Inclusion No. PL06 for the Strategic Water Resources Plan – Water Supply Fee Policy.

**Supporting Documents:**

- Proposals received from Black & Veatch, Carollo, and Raftelis/RMC
- Request for Proposals (RFP) prepared by staff

March 13, 2013

Mr. Matthew Knudson, Engineering Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Subject: Proposal to Provide Professional Consulting Services for a Water Supply Fee Analysis

Dear Mr. Knudson:

Carollo Engineers, Inc. (Carollo) is pleased to provide the Palmdale Water District (District) with this proposal to provide support for establishing a water supply fee. We understand that the development of such a fee is an important undertaking in many ways—it must follow legal requirements, provide sufficient funds to meet the District's future water supply needs, and be prepared with the necessary transparency and input from stakeholders. In addition, the District's proposed fee will need to integrate and support the District's existing rate and connection fee programs as well as financing program developed by the newly established Palmdale Recycled Water Authority (i.e., joint powers authority between the City of Palmdale and the District).

To meet these needs, as well as the District's proposed schedule for the fee analysis, Carollo's approach is to use a team with not only more than 20 years of experience in developing water rate and fees programs, but also first hand experience with establishing water supply fees in the Antelope Valley and with preparing the supporting document upon which the water supply fee will be based. With such experience, our team is more readily equipped than any other firm to meet the needs of the District for this Water Supply Fee Analysis.

We look forward to your review of our proposal. If you have any questions, please feel free to contact me (213-500-9911 or [twest@carollo.com](mailto:twest@carollo.com)) or our study lead Pierce Rossum (714-788-0804 or [prossum@carollo.com](mailto:prossum@carollo.com)).

Sincerely,

CAROLLO ENGINEERS, INC.



Tom West, P.E.  
Vice President

TEW:alh

Enclosures

## E. PROJECT FEE AND SCHEDULE

### Palmdale Water District Water Supply Fee Analysis










Task	Tom West, PIC	Pierce Rossum Study Lead	Robb Grantham	Dave Rydman	Inge Wiersema Technical Advisor	Analyst	Labor Cost	Expenses*	PECE	Total
	\$ 249	\$ 176	\$ 249	\$ 249	\$ 249	\$ 107			\$ 9.90	
1) Project Kick-off and Data Collection	2.0	4.0	-	-	-	2.0	\$ 1,416	\$ 200	\$ 79	\$ 1,695
2) Cost Assumptions & Model Development	1.0	8.0	2.0	4.0	2.0	4.0	4,077	-	207	4,284
3) Cost-of-Service Analysis	2.0	10.0	4.0	2.0	1.0	6.0	4,643	-	247	4,890
4) Cost-Benefit Nexus and Fee Design Analysis	2.0	10.0	4.0	2.0	1.0	6.0	4,643	-	247	4,890
5) Develop Draft and Final Water Report	1.0	8.0	2.0	-	-	4.0	2,583	510	148	3,241
6) Review Meeting	2.0	4.0	-	-	-	2.0	1,416	200	79	1,695
7) Public Presentation	4.0	8.0	-	-	-	2.0	2,618	400	138	3,156
<b>Total</b>	<b>14.0</b>	<b>52.0</b>	<b>12.0</b>	<b>8.0</b>	<b>4.0</b>	<b>26.0</b>	<b>\$ 21,396</b>	<b>\$ 1,310</b>	<b>\$ 1,145</b>	<b>\$ 23,851</b>

\* Includes travel and reproduction costs -


(7 hard copies of draft report, 7 hard copies of final screen check, and 20 hard copies and 20 CDs of final documents)


### Schedule


The RFP identifies adoption of the Water Supply Fee by July 1, 2013 and Carollo is committed to meeting this schedule. Our proposed schedule of tasks is presented in the time table below.

Task	April	May	June
1) Project Kick-off and Data Collection			
2) Cost Assumptions & Model Development			
3) Cost-of-Service Analysis			
4) Cost-Benefit Nexus and Fee Design Analysis			
5) Develop Draft and Final Water Report			
6) Review Meeting			
7) Public Presentation			


 Draft Report(s)

 District Comments

 Final Report

 Board/Stakeholder Meeting

 Adoption

 Kick-off/Progress Meeting



**BLACK & VEATCH**  
Building a world of difference.

**BLACK & VEATCH CORPORATION**  
300 RANCHEROS DRIVE, SUITE 250 SAN MARCOS, CA 92069  
+1 407-419-3575 | KERSTENJR@BV.COM

13 March 2013

Palmdale Water District  
Attn: Matthew Knudson, P.E.  
Engineering Manager  
2029 East Avenue Q  
Palmdale, CA 93550

Dear Mr. Knudson:

Black & Veatch Corporation (Black & Veatch) is pleased to have the opportunity to present this response to the Palmdale Water District (District) Request for Proposal (RFP) for Water Supply Fee Study Services.

Black & Veatch recognizes that the goals of the District's water supply fee program are to generate equitable cost recovery for future capital facility funding and to further support the District's disciplined capital improvement planning process. We believe that our proposed approach, work plan and project team will help ensure that these goals will be met.

Black & Veatch develops utility impact fees, such as water supply fees, with a comprehensive financial perspective. A successful financial planning foundation for fee studies requires a broad array of financial and economic expertise. This platform must include knowledge of accounting, operational and capital budgeting, demographic data applications, and debt financing principles. Not only will we work with you to ensure revenue adequacy through the fee structure, but we will develop a cash flow analysis that will demonstrate the financial strength and flexibility of the District's fee program.

Black & Veatch submits our Proposal not simply as an expression of interest, but as a statement of commitment to provide the leadership and resources necessary for the success of this study. If you have any questions regarding our submittal, please do not hesitate to contact our designated Project Manager, Brian Jewett, at 951-575-5249. We appreciate your consideration of our proposal and welcome the opportunity to assist the District.

Very truly yours,  
BLACK & VEATCH CORPORATION

John R. Kersten  
Vice President

Brian Jewett  
Principal Consultant



## Project Fee and Schedule

The matrix below provides a detailed breakdown of the estimated hours by task and staff members proposed for this project. Our proposed fee is a fixed fee amount of \$24,370.

PROJECT TEAM MEMBER:	BUI	JEWETT	LAZENBY	MORALES	TOTAL	
	Director, QA/QC	Project Manager	Engineering Advisor	Lead Analyst		
Tasks	Hourly Rate	\$250	\$220	\$200	\$175	Hours Cost
Task 1: Project Initiation/Data Acquisition	-	4	-	4	8	\$1,580
Task 2: Confirm Land Use Data/Forecasts	-	2	-	6	8	1,490
Task 3: Determine Capital Facilities Needs	-	6	2	-	8	1,720
Task 4: Determine the Need for Credits	-	3	-	4	7	1,360
Task 5: Conduct Funding and Cash Flow Analysis	3	10	-	18	31	6,100
Task 6: Prepare Draft Capacity Fee Report	2	15	2	12	31	6,300
Meetings, Final Report and Presentations	-	16	4	4	24	5,020
<b>Total Hours</b>		<b>5</b>	<b>56</b>	<b>8</b>	<b>48</b>	<b>117 \$23,570</b>
<b>Project Expenses</b>						<b>800</b>
<b>Total Fee</b>						<b>24,370</b>

It is understood that, upon notification of your award of the project to Black & Veatch Corporation, both parties agree to use reasonable diligence, to negotiate a mutually acceptable definitive written contract with respect to the work described in this proposal. Based on our experience we are reasonably confident that the contract terms can be negotiated quickly and without any affect on the project schedule. However, until we receive a fully executed, mutually acceptable definitive written contract, Black & Veatch will not perform any work on behalf of Palmdale Water District related to the scope of work proposed herein.

TASK DESCRIPTION	APRIL					MAY				JUNE				JULY		
	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8	15
Task 1: Project Initiation/Data Acquisition																
Task 2: Confirm Land Use Data/Forecasts																
Task 3: Determine Capital Facilities Needs																
Task 4: Determine the Need for Credits																
Task 5: Conduct Funding and Cash Flow Analysis																
Task 6: Prepare Draft Capacity Fee Report																
Meetings, Final Report and Presentations																

■

 Staff Meeting
 

□

 District Board Meeting
 

⌘

 Draft Report
 

📅

 Final Report



201 S. Lake Avenue  
Suite 301  
Pasadena, CA 91101

Phone 626 . 583 . 1894  
Fax 626 . 583 . 1411

[www.raftelis.com](http://www.raftelis.com)

March 11, 2013

Mr. Matthew Knudson  
Engineering Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

**Subject: Proposal for Professional Consulting Services for Water Supply Fee Analysis**

Dear Mr. Knudson:

Raftelis Financial Consultants, Inc. (RFC), in association with RMC Water and Environment (RMC), is pleased to submit this proposal to provide professional consulting services for a water supply fee analysis for the Palmdale Water District (District or PWD). We believe that our unique combination of qualifications, resources, experience and local presence will ensure a value-added project that will benefit the District and its customers.

There are many reasons why the RFC team stands out amongst its peers, including:

**Depth of Local Resources:** We have the largest utility financial practice in California and one of the largest in the nation, and will ensure the project is completed within the District's timeframe.

**Experience:** In California alone, we have performed hundreds of water/wastewater rate studies. In the past year, RFC worked on more than 250 financial and/or rate consulting projects for over 160 water and/or wastewater utilities in 28 states and the District of Columbia, including more than 75 projects for California utilities.

**Industry Leadership:** Many of our senior staff members serve as chairs for various committees within American Water Works Association (AWWA) and Water Environment Federation (WEF) and are actively involved in shaping industry standards.

**Modeling Experts:** RFC has developed some of the most sophisticated yet user-friendly financial/rate models available that allow us to examine different policy options and make decisions quickly by observing their financial/customer impacts in real time.

**Knowledge of CA Regulatory Requirements:** Government Code Section 66013 governs water supply fees. RFC is thoroughly familiar with this regulation. This regulatory knowledge will ensure that our recommendations account for aspects that are unique to California utilities.

**Knowledge of District:** Team members are familiar with the financial and technical elements associated with this study through their prior work for the District. This will enable use to hit the ground running and provide efficient services.

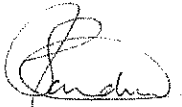
**Focus:** RFC's services are solely focused on providing financial, pricing, and management consulting services to water, wastewater, and stormwater utilities, allowing us to provide objective unbiased recommendations to our clients.

Client Satisfaction: RFC strives to develop strong relationships with each of our clients. We recognize that we have a vested interest in the success of each of our clients. We work collaboratively with our clients during the engagement and provide any necessary assistance after the engagement. Our commitment to client satisfaction is unparalleled, and is evident in the fact that over 75 percent of all studies done are the result of repeat business.

We are proud of the resources and experience that we offer the District, and we welcome the opportunity to be of assistance on this engagement. Please do not hesitate to contact me if you have any questions (626.583.1894 or spardiwala@raftelis.com).

Sincerely,

*RAFTELIS FINANCIAL CONSULTANTS, INC.*



Sudhir D. Pardiwala, PE

Director of Western Operations / Vice President

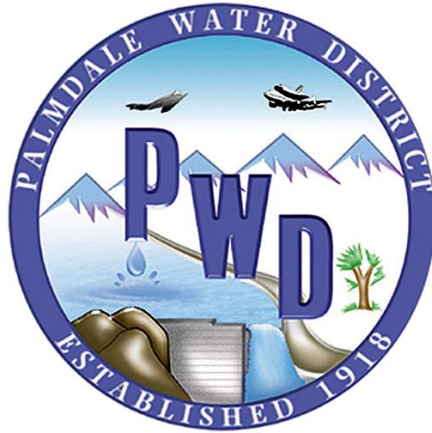
# PROJECT FEE AND SCHEDULE

## PROJECT FEE

The fees below are based on the Scope of Work included in this proposal, our preliminary understanding of the District's needs and objectives, and the scope of work as described in the District's Request for Proposals (RFP). RFC proposes to complete the Study for a not-to-exceed fee of \$39,879. The proposed fees include four (4) meetings. Additional meetings will be provided on a time-and-materials basis.

The table below details the estimated hours and billing rates for each consultant, as well as the administrative support necessary to complete each task. Expenses include a \$10 per hour technology charge which covers computers, networks, telephones, postage, etc., as well as costs associated with travel.

Task No	Task Descriptions	No of Meetings	Hours Requirements					Total Fees
			SP	BD	FC	Admin	Total	
1	<i>Project Initiation, Administration and Data Collection</i>	1	12	6	10	8	36	\$ 6,800
2	<i>Detailed Review of Master Plans and Other Relevant Data</i>		4	2	24		30	\$ 5,930
3	<i>Policy Workshop with District Staff</i>	1	8	2	12		22	\$ 4,750
4	<i>Development of Water Supply Fee</i>		6	2	20		28	\$ 5,710
5	<i>Nexus Report Development</i>		10	2	24	4	40	\$ 7,730
6	<i>Board Meeting and Public Hearing</i>	2	16		12		28	\$ 6,380
<b>TOTAL ESTIMATED MEETINGS / HOURS</b>		4	56	14	102	12	184	
<b>HOURLY RATES</b>			\$260	\$225	\$185	\$60		
<b>Legend:</b>		<b>Total Professional Fees</b>						<b>\$37,300</b>
SP = Sudhir Pardiwala		<b>Total Expenses</b>						<b>\$2,579</b>
BD = Brian Dietrick, RMC		<b>TOTAL FEES &amp; EXPENSES</b>						<b>\$39,879</b>
FC = Steve Vuoso/Khanh Phan/Bryan Lim								



# **PALMDALE WATER DISTRICT**

## **REQUEST FOR PROPOSALS (RFP)**

### **FOR**

#### **Professional Consulting Services for Water Supply Fee Analysis**

Proposals Due: March 13, 2013; 5:00 PM

## **TABLE OF CONTENTS**

- I. Introduction**
- II. Scope of Work**
- III. Schedule**
- IV. Submittal Requirements**
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- VIII. Questions**

**Attachment A: RFP Mailing List**

**Attachment B: Sample Professional Services Agreement**

**REQUEST FOR PROPOSALS (RFP)**  
**FOR**  
**Professional Consulting Services**  
**for**  
**Water Supply Fee Analysis**

---

**I. Introduction**

The Palmdale Water District (District) is requesting proposal from qualified consultants to conduct a Water Supply Fee analysis. The intent of this analysis is to independently assess and evaluate the establishment of a Water Supply Fee to fund development of additional water supplies.

The District is located within the Antelope Valley in Los Angeles County, approximately 60 miles north of the City of Los Angeles and 50 miles west of the City of Victorville. The entire District encompasses an area of approximately 140 square miles overlying more than thirty non-contiguous areas scattered throughout the southern Antelope Valley. In addition to the Primary Service Area, there is a federal land area of approximately 65 square miles upstream of Littlerock Dam in the Angeles National Forest.

The District was established in 1918 as the Palmdale Irrigation District. The primary function of the District is to provide retail water service to the central and southern portions of the City of Palmdale and adjacent unincorporated areas of Los Angeles County. Under the provisions of Division 11 of the California Water Code relating to the establishment of irrigation districts, the District has the power to carry out any act to provide sufficient water for present and future beneficial uses, including construction and operation of facilities to store, regulate, divert and distribute water for use within its boundaries. A Board of Directors, elected at large, with one representative from each of the five divisions, governs the District.

The District currently provides potable water to a population of approximately 115,000 people and has approximately 27,600 service connections. The District owns and operates a 35-mgd conventional surface water treatment plant (WTP). The current surface water sources are the East Branch of the California Aqueduct as well as local water from Littlerock Reservoir. Currently both surface water sources supply water to Lake Palmdale which acts as a forebay to the existing WTP. The District also owns and operates 24 groundwater wells. The production ratio within the District is currently 60% surface water and 40% groundwater.

The District has prepared a Strategic Water Resources Plan (SWRP) to establish guiding objectives and identify necessary steps in order to meet the projected future needs of its customers. Over the next 25 years, the population residing within the District's current service area is expected to more than double. Correspondingly, anticipated supply needs to meet the water demands of these customers are expected to increase. The District has a number of water resource options available to it in order to meet these needs. These include imported water, groundwater, local runoff, recycled water, conservation and water banking. To understand where the District should be placing its emphasis, the District has developed the SWRP that considered all the different options available to it, evaluated these options with respect to a variety of factors including cost, reliability, flexibility, implement ability and sustainability.



In order to fund the costs of facilities and acquisitions of new water supplies, the principles followed by the SWRP are as follows:

- New customers establishing new connections must pay for new supplies and the infrastructure to deliver those supplies. This includes funding new imported water acquisition, recharge and recovery facilities, and recycled water facilities.
- Current and future customers must pay for reliability of current supply up to budgeted allotments for indoor and outdoor usage. This would include the costs of improvements to maintain Littlerock Reservoir, of the District's share of improvements to the Delta, and of improvements needed to meet water quality standards.
- Those customers choosing to use more than their allotment need to contribute more to help fund water reliability projects including conservation and recycling.
- Current and future customers are to pay for all O&M costs as well as fixed costs of existing systems.

A copy of the Strategic Water Resources Plan and related EIR are available on the Districts web-site at [www.palmdalewater.org/Planning.aspx](http://www.palmdalewater.org/Planning.aspx).

This RFP describes the Project, the required scope of services, the minimum information that must be included in the Proposal, and the selection process. Failure to submit the Proposal in accordance with the procedures outlined may be cause for disqualification.

Upon receiving this RFP, please acknowledge receipt by contacting Mr. Matthew Knudson via e-mail ([mknudson@palmdalewater.org](mailto:mknudson@palmdalewater.org)). Please provide the correct contact information for your firm/team to ensure prompt communication of addenda or notification of other changes. The District contact information is provided at the end of this RFP in Section VIII: Questions.

## **II. Scope of Work**

The Water Supply Fee analysis is to be performed in conformance with the existing Board and District policies. The selected Consultant will be required to conduct a detailed review of relevant water supply planning documents. The Consultant will be required to review historical information, customer usage statistics and billing data. The recommended Water Supply Fee shall be compliant with Government Code §66000, based upon cost of service principles, and economically supportable. Staff expects the Water Supply Fee analysis to include:

- 1) Review the existing rate and fee structure and the underlying cost assumptions.
- 2) Review the District's Master Plans, Strategic Water Resources Plan, and Urban Water Management Plan and identify the direct costs to be allocated and recovered through the Water Supply Fee.
- 3) Review the District's existing fiscal policies.
- 4) Prepare an equitable and defensible Water Supply Fee in compliance with Government Code §66000, that considers future growth, demands, capital expenditures, and other relevant factors.
- 5) Meet and confer with staff as necessary

- 6) Prepare a report to provide a description of the methodology used for the development of a Water Supply Fee and how it complies with legal requirements and existing board policies.
- 7) Present findings to District Board.

The Consultant will be responsible for preparation of all documentation. It is anticipated that the Consultant will provide the following work products:

- a) Administrative Draft document for staff review – 7 hard copies, one electronic copy
- b) Final screen check document for staff review – 7 hard copies, one electronic copy
- c) Final document for Board and public distribution – 20 hard copies, 20 cd copies
- d) Attendance at public hearings and meetings. At least two public meetings are anticipated.
- e) Display material and copies of necessary documents for all presentations and public hearings.

### **III. Schedule**

The following dates reflect the anticipated schedule for soliciting proposals, selecting the Consultant, and awarding the contract for the work requested in this RFP:

- |                           |                    |
|---------------------------|--------------------|
| • Solicit Proposals       | 2/27/13            |
| • Proposals Due           | 3/13/13 at 5:00 PM |
| • Award Contract          | 3/27/13            |
| • Issue Notice to Proceed | 4/3/13             |
| • Kickoff Meeting         | 4/9/13             |

In addition to the ability to perform the requested analysis the firm selected must be able to meet an aggressive schedule. It is the District's desire to adopt the Water Supply Fee prior to July 1, 2013.

The District reserves the right to conduct interviews with the Consultants to help with the selection process.

### **IV. Submittal Requirements**

- A. **Basic Qualifications:** Provide basic data relative to firm's size, history, personnel, special expertise and general credits. Individual resumes, awards, associations, etc., may be included.
- B. **Specific Qualifications:** List the team expected to accomplish this work. Describe who will perform the various tasks, the amount of their involvement and responsibilities, and give their qualifications. Provide a list of at least (5) projects, with brief descriptions, which show ability to complete projects of this scope.
- C. **Approach to Project:** Include a statement of your approach to this specific project, including project understanding and scope of work.
- D. **Past Performance:** Submit reference letters from prior clients or client representatives. Letters from projects listed in item B are preferable.
- E. **Project Fee and Schedule:** Submit a project fee in a not-to-exceed amount as well as a project schedule. Include a cost breakdown with an allocation of hours for the specified tasks.

To assist evaluation it is desirable to format the proposal similar to the heading listed above. The proposal should be clear and to the point. **Submit 10 copies** of the proposal.

## **V. Selection Process**

The following areas of evaluation will be used:

Completeness of the Proposal	20%
Company qualifications	20%
Evaluation of experience	20%
Capability to meet District requirements	40%
TOTAL	100%

The District reserves the right to reject any or all proposals, and to waive any informality or minor irregularity in any proposal.

## **VI. Standard Professional Services Agreement**

The Consultant selected for the Project shall be expected to execute the Districts' Standard Professional Services Agreement (included as Attachment B). The selected Consultant shall execute the final agreement within five working days from the Notice of Award.

## **VII. Special Conditions**

- **District's Contractual Rights:** The District reserves the right to cancel, in part or entirely, the Request for Proposals, including but not limited to, selection schedule, submittal date, and submitting requirements.
- **Disclaimer of Right of Contract:** This RFP does not commit the District to award a contract or to defray any costs incurred in the preparation of the Proposal pursuant to this RFP.
- **Costs for Developing Proposal:** Costs for developing proposals are the responsibility of the proposing firms. The District shall not be responsible for any costs associated with the development of proposals.

## **VIII. Questions**

Questions regarding this RFP can be sent to Mr. Matthew Knudson, Engineering Manager via fax at (661) 947-8604 or via e-mail at [mknudson@palmdalewater.org](mailto:mknudson@palmdalewater.org). Questions concerning information already contained in the RFP will be answered in writing; questions requiring clarifications or additional information will be addressed in an addendum to this RFP.

Mr. Matthew Knudson  
Engineering Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550  
p. (661) 456-1018  
f. (661) 947-8604  
[mknudson@palmdalewater.org](mailto:mknudson@palmdalewater.org)

# **ATTACHMENT A**

## **RFP Mailing List**

## **Mailing List**

Black & Veatch  
Andrew Lazenby  
15615 Alton Pkwy, Suite 300  
Irvine, CA 92618  
949-788-4218 P  
949-753-1252 F  
[lazenbyag@bv.com](mailto:lazenbyag@bv.com)

Carollo Engineers  
Tom West  
11620 Wilshire Blvd., 9<sup>th</sup> Floor  
Los Angeles, CA 90025  
213-500-9911 P  
[twest@carollo.com](mailto:twest@carollo.com)

RMC Water and Environment  
Brian Dietrick  
2400 Broadway, Suite 300  
Santa Monica, CA 90404  
310-566-6479 P  
310-566-6461 F  
[bdietrick@rmcwater.com](mailto:bdietrick@rmcwater.com)

**ATTACHMENT B**  
Sample Professional Services Agreement

**PROFESSIONAL SERVICES AGREEMENT NO. \_\_\_\_\_**

**between**

**PALMDALE WATER DISTRICT**

**and**

\_\_\_\_\_  
**for the**  
\_\_\_\_\_  
\_\_\_\_\_

**1. IDENTIFICATION**

This PROFESSIONAL SERVICES AGREEMENT, hereinafter referred to as “Agreement,” is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between Palmdale Water District, a public corporation organized and existing under the provisions of the California Water Code, hereinafter referred to as “District,” and \_\_\_\_\_, a \_\_\_\_\_, hereinafter referred to as “Consultant.”

**2. RECITALS**

- 2.1 District requires professional \_\_\_\_\_ and \_\_\_\_\_ services in conjunction with \_\_\_\_\_.
- 2.2 Consultant has demonstrated expertise in various aspects of \_\_\_\_\_ and \_\_\_\_\_ and is qualified to provide the professional services required by District.
- 2.3 District and Consultant desire to enter into a contract for the provision of professional services for the \_\_\_\_\_ 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 District 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 \_\_\_\_\_, who shall manage and direct the technical effort of Consultant and be the Consultant’s liaison with the District.

- 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 District 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 District. If Best's is no longer published, comparable ratings must be provided from a service acceptable to District. 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 District. Said policy(ies) shall also contain provisions requiring that the coverage cannot be reduced or canceled without giving District 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 District, 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 District 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 District 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 District or any of its directors, officers, employees, agents, or volunteers in any such suit, action, or other legal proceeding.

Consultant shall reimburse District 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 District or any of its directors, officers, employees, agents, or volunteers.

- 3.5 District 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, District shall compensate Consultant through the notice date for services actually performed hereunder in accordance with the rates set forth in Exhibit B, but in no event shall District be obligated to pay more than the maximum compensation set forth in Exhibit B.
- 3.6 District shall pay Consultant the compensation in the amount, time, and manner set forth on the attached Exhibit B.
- 3.7 This Agreement shall not be assigned by Consultant without the written consent of District.
- 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 District, 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 District 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 District while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to the District any District 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.

District may utilize any material prepared or work performed by Consultant in any manner, which District deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes or corrections made by District 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 District.
- 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 District's name is used or its identity is implied without prior written approval by the District.
- 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 District.
- 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.

**PALMDALE WATER DISTRICT**

\_\_\_\_\_

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION**  
**SPECIAL DISTRICTS LEGISLATIVE DAYS**  
**May 14 - 15, 2013**  
**Sacramento**

NAME: \_\_\_\_\_

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_ APRIL 29, 2013

MEALS:     \_\_\_ YES     SPOUSE:     \_\_\_ YES     SPOUSES' TOUR:     \_\_\_ YES  
          \_\_\_ NO                   \_\_\_ NO                           \_\_\_ NO

**DEPARTMENTAL TRAVEL BUDGET:**

REGISTRATION: \_\_\_\_\_ TRAVEL: \_\_\_\_\_

TOTAL REMAINING BALANCE: \_\_\_\_\_

**PROPOSED EXPENSES:**   Registration: \_\_\_\_\_  
                                  Transportation: \_\_\_\_\_  
                                  Meals:\* \_\_\_\_\_  
                                  Miscellaneous: \_\_\_\_\_  
                                  TOTAL: \_\_\_\_\_

\*DIRECTORS: Expenses are outlined in Section 4.06.1 of the District's Rules and Regulations.

\*FOR STAFF: Meal limitations are outlined on pages 30 and 31 of the District's Employee Manual.

Please review these limitations.

**HOTEL ACCOMMODATIONS:**   \_\_\_ YES   \_\_\_ NO   REGISTRATION DEADLINE: \_\_\_\_\_  
ARRIVAL DATE/TIME: \_\_\_\_\_   DEPARTURE DATE/TIME: \_\_\_\_\_

TYPE OF ACCOMMODATIONS:     \_\_\_\_\_     SINGLE (1 PERSON)  
                                      \_\_\_\_\_     DOUBLE (2 PEOPLE)  
                                      \_\_\_\_\_     (2 PEOPLE/2 BEDS)

**AIRLINE RESERVATIONS:**     \_\_\_ YES     \_\_\_ NO

DEPART FROM \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ AM/PM  
                                  (airport)                                   (date)                                   (time)

RETURN FROM \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ AM/PM  
                                  (airport)                                   (date)                                   (time)

SUPERVISOR APPROVAL: \_\_\_\_\_ DATE: \_\_\_\_\_

**May 14-15, 2013**  
SACRAMENTO CONVENTION CENTER



**California Special  
Districts Association**  
*Districts Stronger Together*

# **SPECIAL DISTRICTS LEGISLATIVE DAYS**

**STRENGTH IN NUMBERS:  
ADDING VALUE TO COMMUNITIES**



#sdId2013



**California Special  
Districts Association**  
*Districts Stronger Together*

## SPECIAL DISTRICTS LEGISLATIVE DAYS

STRENGTH IN NUMBERS:  
ADDING VALUE TO COMMUNITIES

### Top 5 Reasons Why You Should Attend:

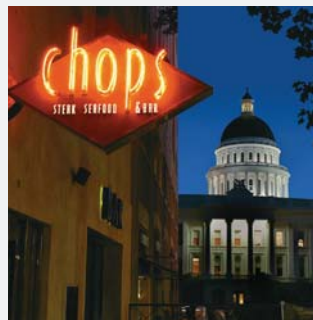
1. Efforts underway in Sacramento could significantly impact special district revenue sources, including **property tax allocations**, voter thresholds for **special taxes** and new **funding opportunities** for “green” projects and programs.
2. Governor Jerry Brown has expressed interest in reforming California’s most important environmental quality law, the **California Environmental Quality Act (CEQA)**, potentially leading to major changes in how districts build infrastructure.
3. Hear directly from California State Controller John Chiang on the latest **financial auditing** and **compensation reporting** regulations heading your way.
4. Interactive roundtable discussions with our partners and experts will allow you to learn about industry-specific issues—such as implementation of the substantial reforms to **public employee pensions** last year.
5. **Pre-arranged legislative visits** and a hosted reception enable you to build relationships with your state legislators and their Capitol staff.



Legislative  
visits in  
the Capitol  
arranged by  
CSDA!

Let your senator and assembly member know about the core services your district provides in their legislative district. Tell them how each dollar invested in your district benefits your shared constituents and adds significant value at the local level!

*In order to reserve enough time for scheduling, please register at [www.csdanet.net/sdld](http://www.csdanet.net/sdld) by April 29 to guarantee your spot in these visits.*



Hosted  
legislative  
reception  
sponsored by  
SDRMA

Network with legislators and Capitol staff at SDLD’s legislative reception, being held again at Chops, an award-winning restaurant and bar across the street from the Capitol and a favorite amongst the Capitol community.

Location: 1117 11th Street, Sacramento, CA



*SDLD is available for CIPs  
for SDRMA members.*

### Sponsor opportunity

CSDA Business Affiliates have the opportunity to showcase their products and services as sponsors at SDLD! Space is limited. For more information, please visit [www.csdanet.net/sdld](http://www.csdanet.net/sdld). Questions? Contact Professional Development Director Megan Hemming at [meganh@csda.net](mailto:meganh@csda.net).

### For all the latest information, go to our website

Visit the SDLD website for the latest updates at [www.csdanet.net/sdld](http://www.csdanet.net/sdld). You will find the most current schedule, speaker bios, a list of our partners, how to find a hotel and more. Most importantly, you can register for SDLD directly on the website!

# SPECIAL DISTRICTS LEGISLATIVE DAYS

STRENGTH IN NUMBERS:  
ADDING VALUE TO COMMUNITIES

With 39 first-time state legislators and single-party control of every statewide office and two-thirds of each house, California is experiencing an unprecedented legislative session. As California attempts to rebuild its battered budget following years of economic recession, Special Districts Legislative Days (SDLD) 2013 will focus on evolving threats to special district revenue as well as emerging opportunities, including:

- Changes to local revenue measure voter thresholds;
- Protection of existing property taxes and passthrough payments; and
- The distribution of greenhouse gas cap-and-trade auction revenue and Proposition 39 green energy revenue.

A dynamic two-day conference, SDLD provides attendees with the opportunity to hear from and interact with statewide policymakers and legislators, as well as to network and discuss district challenges with peers from other special districts around the state. SDLD includes keynotes from California's highest office-holders, moderated panel discussions with the state's leading experts and issue-specific roundtable conversations covering the most pertinent issues facing each type of special district.

Your engagement is an essential component of CSDA's advocacy efforts in Sacramento to defend special district finances and educate policymakers on the effective service delivery provided by special districts – together there is strength in numbers!

## What you can do:

- Register for SDLD today to hear first-hand about the latest revenue proposals directly affecting special districts. You will also have the chance to communicate how new revenue opportunities can strengthen the core services your district provides and share examples of how they would add value to your local communities.
- Join the Host Council and contact your colleagues about the importance of attending SDLD. CSDA will provide you information to pass along. Contact Miryam Barajas at [miryamb@cdda.net](mailto:miryamb@cdda.net) for more information.
- Visit CSDA's Grassroots Action Center at [www.cdda.net/grassroots](http://www.cdda.net/grassroots) to read about the most significant proposals impacting special districts and to find out how you can take action now!
- Spread the word! Let other districts know about this exciting conference.

## ROUNDTABLE DISCUSSIONS - WEDNESDAY, MAY 15 FROM 9:45-11:45 a.m.

Statewide special district organizations, key local government partners, and industry experts will host roundtables to provide opportunities to network and learn more about key issues within your industry. The following organizations will be hosting roundtables:

- Association of California Healthcare Districts
- Association of California Water Agencies
- California Association of Public Cemeteries
- California Association of Local Agency Formation Commissions
- California Board of Forestry and Fire Protection
- California Public Employees' Retirement System
- California State Association of County Auditors
- Workers' Compensation Action Network

## Thank you to our Partners:



- Association of California Healthcare Districts
- Association of California Water Agencies
- California Association of Local Agency Formation Commissions

- California Association of Public Cemeteries
- California Association of Recreation and Park Districts
- California Association of Resource Conservation Districts
- California Association of Sanitation Agencies

- Fire Districts Association of California
- Mosquito and Vector Control Association of California
- Special District Risk Management Authority

## Tuesday, May 14

7:45 a.m. - *Registration Begins*  
(Continental Breakfast and Networking Opportunities)

8:15 – 9:30 a.m.

*Welcome Remarks:* CSDA Executive Director Neil McCormick

*Opening Remarks:* CSDA President Stanley Caldwell

*CSDA Legislative Overview:*

- Kyle Packham, Advocacy & Public Affairs Director
- Christina Lokke, Legislative Representative
- Dorothy Holzem, Legislative Representative
- Ralph Heim, Legislative Advocate

9:45 – 10:45 a.m. - *Local Revenue Panel*

10:45 – 11:00 a.m. - *Break*

11:00 a.m. – 12:00 p.m. - *Local Government Panel*

- Assembly Member Katcho Achadjian (R-San Luis Obispo), Chair, Assembly Local Government Committee
- Assembly Member Marc Levine (D-San Rafael), Vice-Chair, Assembly Local Government Committee
- Senator Stephen Knight (R-Palmdale), Vice-Chair, Senate Governance & Finance Committee

12:00 – 12:20 p.m. - *Break (please exit room for lunch setup)*

12:20 – 2:00 p.m. - *Lunch*

**Keynote Speaker: California State Controller John Chiang**  
**Legislative Visits Briefing**

2:00 – 5:00 p.m. - Legislative Visits

5:00 – 6:30 p.m. - *Hosted Legislative Reception*

Chops, 1117 11th Street, Sacramento, CA 95814

## Wednesday, May 15

8:00 a.m. - *Doors Open*

Continental Breakfast and Networking Opportunities

8:30 – 9:30 a.m.

**Keynote Speaker: To Be Announced**

9:30 – 9:45 a.m. - *Break*

9:45 – 11:45 a.m. - *Roundtable Discussions*

*You can choose two roundtables. Two 45-minute sessions will be conducted.*

11:45 a.m. - *Closing Remarks:* CSDA President Stanley Caldwell

### KEYNOTE SPEAKER



#### California State Controller John Chiang

As the Chief Fiscal Officer of California, Controller John Chiang oversees the State's nearly \$100 billion annual budget. He also helps administer the state retirement systems CalPERS and CalSTRS, and serves on 81 State boards and commissions, charged with everything from protecting our coastline to overseeing local government financial reporting.

The Controller's monthly financial reports on state revenue gains and losses are especially sought after throughout the budget adoption process. Appropriately, SDLD is held the same week as the California Budget May Revise is anticipated for release by Governor Jerry Brown.

In addition to being responsible for accounting for and controlling disbursement of all state funds, as well as processing all personnel and payroll transactions for public employees, Controller Chiang has key audit oversight for state and local government programs. These audits have identified more than \$3.5 billion in taxpayer dollars that were denied, overpaid, subject to collection, or resulted in revenues, savings and cost avoidance. As state controller, his audit authority includes ensuring that independent audits of local governments comply with professional audit standards, address discrepancies, and inform the public of financial transactions and compensation.

Controller Chiang was first elected in November 2006 to serve as Controller of the State of California, and was re-elected to serve a second term in November 2010.

### LOCAL GOVERNMENT COMMITTEE LEADERS



#### The Honorable Katcho Achadjian (R-San Luis Obispo)

– Chair of the Assembly Local Government Committee, Assembly Member Achadjian represents the 35th Assembly District, which includes the communities of Paso Robles, Pismo Beach, San Luis Obispo, and Santa Maria, among others. Prior to his election to the Legislature, Achadjian served for three terms as an elected member of the San Luis Obispo County Board of Supervisors.



#### The Honorable Mark Levine (D-San Rafael)

– Vice-Chair of the Assembly Local Government Committee, Assembly Member Levine was elected in November 2012 to represent the 10th Assembly District, comprised of the communities of Sausalito, San Rafael, Novato, Petaluma, and Sonoma, among others. A former San Rafael City Councilmember, Levine has held leadership posts throughout his career helping to develop innovative solutions at the local, state, national and international levels.



#### The Honorable Stephen Knight (R-Palmdale)

– Vice-Chair of the Senate Governance and Finance Committee, Senator Knight was elected to the California State Assembly in November 2008 and the State Senate in 2012. Prior to his election to the Assembly, Knight was elected to the Palmdale City Council in 2005. Upon assuming office in the state Legislature, Knight left his 18-year career as a sworn police officer in the Los Angeles Police Department.





# SPECIAL DISTRICTS LEGISLATIVE DAYS

STRENGTH IN NUMBERS:  
ADDING VALUE TO COMMUNITIES

**CSDA WILL ARRANGE LEGISLATIVE VISITS FOR YOU. IN ORDER TO RESERVE ENOUGH TIME FOR SCHEDULING, REGISTER BY APRIL 29 TO GUARANTEE YOUR SPOT IN THESE VISITS.**

### Three Ways to Register

- *For fast service*, register online by visiting the Special Districts Legislative Days website at [www.csda.net/sdld](http://www.csda.net/sdld). Find the "register" button at the top of the page.
- *Fax number*: 916.520.2465. All faxed forms must include credit card payment.
- *Mail*: CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. Please include registration form and payment. Checks should be made payable to: California Special Districts Association.

### Who qualifies for "member" rates?

All California Special Districts Association and Special District Risk Management Authority members. Not sure if you are a member? Contact the CSDA offices to find out if you are already a member. It's not too late to become a CSDA member. Simply contact Cathrine Lemaire at [cathrine1@csda.net](mailto:cathrine1@csda.net) or call toll-free at 877-924-2732.

**Registration fees include the evening reception on May 14, legislative visits arranged by CSDA, as well as all written materials and meals as indicated in the agenda.**

☐ CSDA Member: \$225

☐ Non-Member: \$275

Total Amount Enclosed: \$

Payment must accompany registration in order to process.

Name/Title:

District:

Address:

City:

State:

ZIP:

Phone:

Fax:

Email:

### Legislative meetings

In order to help CSDA arrange your legislative meetings, please provide us with the legislative districts in your jurisdiction.

Assembly District(s):

Senate District(s):

### Payment

☐ Check ☐ Visa ☐ MasterCard ☐ Discover ☐ American Express

Acct. name:

Acct. Number:

Expiration date:

Authorized Signature:

### Special needs

☐ Vegetarian ☐ Other:

**CANCELLATION POLICY: Cancellations must be made IN WRITING and received via fax or mail three days prior to event. All cancellations made within the specified time will be refunded less a \$25 processing fee. NO EXCEPTIONS.**



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

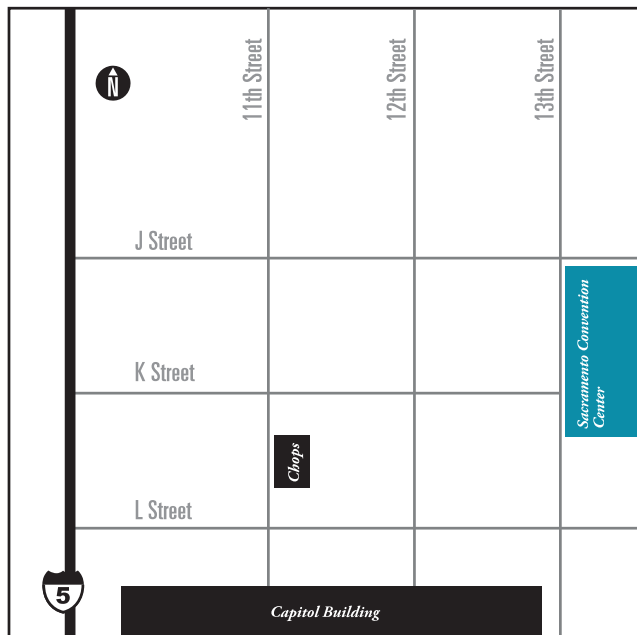
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## SPECIAL DISTRICTS LEGISLATIVE DAYS

STRENGTH IN NUMBERS:  
ADDING VALUE TO COMMUNITIES

**May 14-15, 2013**  
SACRAMENTO CONVENTION CENTER



### Conveniently Located

#### Sacramento Convention Center

1400 J Street  
Sacramento, CA 95814

#### City Parking Information

For parking information, visit the City of Sacramento website at [www.cityofsacramento.org](http://www.cityofsacramento.org).

#### Hotel Information

The Sacramento Convention Center is conveniently located close to many downtown Sacramento Hotels that are sure to fit any district's budget. Visit [www.csdanet/sdld](http://www.csdanet/sdld) for information on available room blocks and rates.



@specialdistrict



California Special Districts Association

**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE  
WATER DISTRICT, OCTOBER 23, 2012:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, October 23, 2012, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Finance Committee:  
Kathy Mac Laren, Chair  
Robert Alvarado, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Mike Williams, Finance Manager  
Bob Egan, Financial Advisor  
Dennis Hoffmeyer, Senior Accountant  
Matt Knudson, Engineering Manager  
Peter Thompson II, Operations Manager  
Kelly Jeters, Systems Supervisor  
Danielle Henry, Administrative Assistant  
1 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting  
Held July 24, 2012.**

It was moved by Committee Member Alvarado, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the meeting held July 24, 2012.

**4.2) Discussion and Overview of Cash Reports. (Financial Advisor Egan)**

Financial Advisor Egan reviewed in detail the investment funds report and cash flow report as of September 30, 2012 including the annual principal and semi-annual interest

bond payments, called investments, reserved funds, scheduled Butte payment, assessments, and capital lease payments.

**4.3) Discussion and Overview of Financial Statements and Departmental Budget Reports. (Finance Manager/CFO Williams)**

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year and month-to-month revenue and expense analysis, and individual departmental reports through September 2012, along with the graphs for these reports and a graph comparing personnel costs to operational costs, and stated that the target expenditure percentage should be at or below 75%; that departments are at or below this expenditure with the exception of Administrative Services at 77% due to the purchase of replacement water meters.

The size of the water meters for replacement was then briefly discussed.

**4.4) Discussion and Overview of Engineering Department Project Payout Schedule. (Finance Manager/CFO Williams)**

Engineering Manager Knudson informed the Committee that a payment made to B.V. Construction in October for Specification No. 0902 is not reflected on the spreadsheet and that this payment will adjust the November and December scheduled payment amounts.

**4.5) Discussion and Overview of Accounts Payable Report. (Finance Manager/CFO Williams)**

Finance Manager/CFO Williams stated that this expenditure report includes all cash disbursement details for September, after which General Manager LaMoreaux stated that this same report is included with the agenda packet for tomorrow night's Board meeting.

**4.6) Discussion and Overview of Draft 2013 Budget. (Financial Advisor Egan/Finance Manager/CFO Williams)**

Senior Accountant Hoffmeyer reviewed in detail the profit and loss statement, the income statement and the cash flow projections through 2013 including all department

budget inclusion items with no water rate increase and the difference in operating revenues with a 5% and 8% water rate increase.

After discussions of uncut department inclusions, of the decrease in revenue due to the base tier adjustment as a result of the City Settlement, of the minimal increase in elevation charges, of projected water sales for 2013, and of long-term projects extended through 2015, Financial Advisor Egan stated that with no water rate increase, operating cash will be decreasing by approximately \$1.5 million resulting in a very limited number of projects that can be done.

The 1998 Bond refinance and availability of restricted cash, the financing of projects through loans and grants, and revenue for unexpected emergencies was then briefly discussed.

**4.7) Discussion and Overview of Refunding Opportunities for the 1998 Series Certificates of Participation. (Financial Advisor Egan)**

Financial Advisor Egan informed the Committee that Mark Northcross of NHA Advisors is expecting a commitment letter from Alliance Bank for the refinancing of the 1998 Bond; that a copy of the District's Budget may be required; and that Citizens Bank will be contacted once the commitment letter is received from Alliance Bank.

**5) Information Items.**

General Manager LaMoreaux informed the Committee that based on discussions and Board action taken in August on the approval of a one-time cost of living adjustment for the four month period ending December 31, 2012, and the research performed by Human Resources Consultant Burns, the consumer price index of 2.2% through September of this year will be part of the 2013 budget review and discussion.

There were no further information items.

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

Committee Member Alvarado requested that project financing through loan and grant opportunities be discussed at the next Committee meeting.

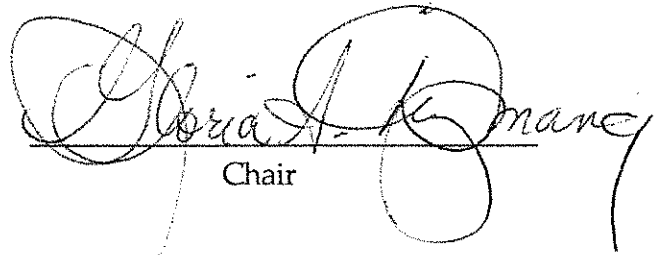
After a brief discussion of capital lease refinancing opportunities, it was determined to discuss this item after completion of the 1998 Bond refinance.

There were no requests for future agenda items.

The next Finance Committee meeting was then scheduled for November 20, 2012 at 6:30 p.m.

**7) Adjournment.**

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

  
Chair

**MINUTES OF MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE  
WATER DISTRICT, FEBRUARY 4, 2013:**

*A regular meeting of the Outreach Committee of the Palmdale Water District was held Monday, February 4, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Outreach Committee:

Gloria Dizmang, Chair

Robert Alvarado, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager

Jim Stanton, Information Technology Manager

Claudette Beck, Water Conservation Supervisor

Tim Moore, Facilities Manager

Dawn Deans, Executive Assistant

Danielle Henry, Administrative Assistant

0 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting  
Held January 7, 2013.**

After a brief discussion, it was moved by Committee Member Alvarado, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the meeting held January 7, 2013, as written.

**4.2) Discussion of Next Issue of Water News. (Water Conservation Supervisor  
Beck)**

Water Conservation Supervisor Beck reviewed the upcoming issue of Water News followed by discussion of the articles and revisions.

**4.3) Discussion of "Before the First Drop" Marketing Campaign. (Chair Dizmang)**

Information Technology Manager Stanton informed the Committee that staff will present a working draft of the next phase of the Before the First Drop marketing campaign as soon as content is available and tied to animation after which General Manager LaMoreaux stated that dollar amounts in the campaign will be updated to reflect current water rates.

Entering the "Before the First Drop" marketing campaign in ACWA's Best in Blue Achieving Communications Excellence Awards Program was then discussed along with the purpose of the campaign, and it was determined to further promote the campaign through local television, radio, school presentations, community presentations, and contests in addition to the Water News, video media in the lobby, the website, and on Facebook and that the campaign be entered in the Program for the 2013 period.

**4.4) Discussion of Scheduling On Air Discussions. (Water Conservation Supervisor Beck)**

Water Conservation Supervisor Beck reviewed a proposed list of topics for on air radio and local television discussions followed by discussion of the topics being the Cash for Grass Program for 2013, information on all rebates, how to find and identify leaks, irrigation problems and irrigation rebates, new technology such as the HydroKnot, designing a new water wise landscape, school programs/contests, sources of water, the Before the First Drop campaign, the Bay Delta, the adjudication process, the options for paying water bills and understanding the water allocation, and providing this information through local Spanish stations, on the District's website, and through YouTube.

**4.5) Discussion and Possible Action on Water Conservation Brochures. (Water Conservation Supervisor Beck)**

Water Conservation Supervisor Beck reviewed proposed water conservation brochures followed by discussion of the brochures and revisions including adding the website, Facebook, and QR codes to the brochures.



**4.6) Discussion and Possible Action on Social Media Marketing Campaign.  
(Committee Member Dizmang)**

Information Technology Manager Stanton informed the Committee that the t-shirts have been redone at no cost to the District and will be picked up after verification that the QR codes function followed by discussion of using the Level Pay Program survey as a social media marketing campaign and the options for distributing this survey.

**5) Old Business.**

**5.1) Status of Water Cost Comparison with Different Water Districts and Comparisons to Gas and Electricity Costs. (Director Dizmang)**

General Manager LaMoreaux stated that Finance Manager Williams has made no progress in obtaining information from other utilities; that staff has revised the water cost comparison with other water agencies; and that the results remain unchanged with the District having the lowest rates after which it was determined that the cost comparison is complete.

The rate increase and the Cash for Grass Program were then discussed.

**5.2) Discussion of Amendment to the District's Rules and Regulations Regarding Community Presentations and Policy for Requesting District Speakers and Presentations. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that topics for presentations have been received; that organizations have requested the presentations be scheduled; and that he will present a draft Community Presentations Policy to the Committee for review at the next meeting.

**5.3) Discussion and Possible Action on Video Media for Front Lobby and Development of a Progressive Outreach Video. (Committee Member Alvarado)**

Information Technology Manager Stanton informed the Committee that staff is waiting for content; that the website designer is compiling existing website content into a flash presentation; and that this will be presented to the Committee for review when complete.

Computer animation of Aquadog and past animations were then discussed after which the Committee requested staff investigate the cost of computer animation.

Committee Member Alvarado then recommended that items in the Water News, items on the website, dates for Landscape Workshops, videotaping of the Landscape Workshops, and Tuesday's Facebook Tips be promoted through video media for the front lobby.

**6) Information Items.**

**6.1) Update on Landscape Workshops. (Water Conservation Supervisor Beck)**

Water Conservation Supervisor Beck informed the Committee of the District's Cash for Grass Landscape Workshops, which are scheduled for Saturday mornings and Thursday evenings through May, and then provided the dates for the Antelope Valley College Landscape Workshops and informed the Committee that topics for these workshops will be provided at a later date.

**6.2) Update on 2012-2013 Water Awareness School Education Programs. (Water Conservation Supervisor Beck)**

Water Conservation Supervisor Beck informed the Committee that the deadline date for entering the school contests has been extended; that entry forms are being picked up; and that she will provide an update at the next meeting.

**6.3) Status Report on Enhancing the District's Web Site and Social Media Presence. (Information Technology Manager Stanton/Water Conservation Supervisor Beck)**

Information Technology Manager Stanton informed the Committee that the 2013 budget, updated water conservation FAQs and rebate programs, and interactive water quality FAQs have been posted on the internet; that the legal shield video and updated Rules and Regulations have been posted on the District's internal intranet; and then provided an update on bill-pay, auto-pay, and paperless accounts.

Administrative Assistant Henry then informed the Committee of proposed updates for enhancing and simplifying the District's website and stated that draft web

pages will be provided for Committee review followed by discussion of the enhancements and of quick links.

6.4) Other.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

"Discussion of computer animation" will be added to the next agenda in addition to other standing items.

There were no further requests for future agenda items.

The next Outreach Committee meeting was then scheduled for March 11, 2013 at 3:00 p.m.

7) Adjournment.

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

  
Chair

**MINUTES OF MEETING OF THE FACILITIES COMMITTEE OF THE PALMDALE  
WATER DISTRICT, FEBRUARY 19, 2013:**

*A meeting of the Facilities Committee of the Palmdale Water District was held Tuesday, February 19, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Alvarado called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Facilities Committee:

Robert Alvarado, Chair

Gordon Dexter, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager

Matt Knudson, Engineering Manager

Tim Moore, Facilities Manager

Peter Thompson II, Operations Manager

Randy Hardenbrook, Equipment Mechanic Spvsr.

Scott Mahoney, Senior Maintenance Mechanic

Dawn Deans, Executive Assistant

0 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Regular Meeting Held October 22, 2012.**

It was moved by Committee Member Dexter, seconded by Chair Alvarado, and unanimously carried to approve the minutes of the Facilities Committee meeting held October 22, 2012, as written.

**4.2) Discussion and Possible Action on Establishing Goals for the Facilities Committee. (Chair Alvarado)**

Chair Alvarado stated that he would like to revise the Committee's previous goals and develop new goals to ensure the District is providing the best service possible through all facilities, and after a brief discussion, it was determined that the goals for the Facilities Committee will include:

- 1) Replacing leaking water mains to reduce leaks and increase mains of the water system and assets.
- 2) Installing and operating localized GAC treatments and test new products to control and reduce overall GAC costs.
- 3) Establishing a base of updated and real-time SCADA to remote sites and expand this system.

Chair Alvarado then requested monthly updates on these goals as well as updates on improving water treatment plant security, floc control measures at the water treatment plant, the distribution SCADA radio upgrade, the triennial well testing program, upcoming plant improvements, and replacing sodium hypochlorite flow meters.

Committee Member Dexter then clarified the first goal of the Committee is focusing on the specifics of financing for the facilities and stated that the Committee has reviewed deferred maintenance; that staff needs to come to the Committee for reprioritization of projects; that the goals mentioned are status updates on these projects; and that he recommends staff convince the Committee of the need for a project, and if the project is possible with the District's limited resources, the Committee recommend the project to the full Board.

Prioritizing facilities items identified in the 2013 budget were then discussed, and it was determined that staff will bring projects to the Committee and that the Committee will determine if these projects need to be brought to the full Board to either request funding or to change priorities.

General Manager LaMoreaux stated that status reports will also be provided on implementing the CMMS program for tracking preventative maintenance and recommended the Committee review the infrastructure management section of the Strategic Plan as the first step in updating the Strategic Plan.

Committee Member Dexter requested the Committee also discuss pending water quality regulations.

**4.3) Discussion and Possible Action on Grants to Assist With Facilities Costs.  
(Chair Alvarado)**

General Manager LaMoreaux stated that staff is reviewing grants through the State Revolving Fund, which also offers low interest loans for infrastructure projects, and that the District's financial team is reviewing these options.

Potential grants and the process for receiving grant funds under Prop 84, USDA loans, and the Bureau of Reclamation were then discussed.

Engineering Manager Knudson then stated that the District is part of the state's Bond Management System and is notified of proposal solicitation packages for available grant funding opportunities; that many grants require matching funds; that the District has qualified for approximately \$500,000 in grant funding for water main replacements from the EPA; and that the District is close to receiving this funding.

Hiring consultants for grant writing and grant writing through other organizations were then discussed.

**4.4) Discussion and Possible Action on Enclosing the Remainder of Palmdale Ditch.  
(Chair Alvarado)**

Chair Alvarado inquired about the feasibility of enclosing sections of Palmdale Ditch if funding or matching funding is available after which General Manager LaMoreaux reviewed the Palmdale Ditch line, which follows the San Andreas fault zone, and sections of the Ditch that are enclosed followed by discussion of establishing a fee to protect watersheds from the impact of development, requiring future development to enclose the Ditch to protect water quality, the cost to enclose the entire Ditch, necessary design and environmental work needed for enclosing the Ditch, no critical need for enclosing additional sections of the Ditch, the integrity of the tunnel sections of the Ditch and staff's efforts to repair these areas, staff's efforts to enforce the Ditch to prevent leakage and the budget for annual maintenance of the Ditch, water spilling from the Dam and recharging the District's southeast well field, and potential liability due to a break in the Ditch, and it was determined that no additional areas of Palmdale Ditch need to be enclosed at this time.

Chair Alvarado then requested a list of areas of the Ditch with the largest number of cracks along with a proposal to double the budgeted amount allocated towards maintenance and repair of the Ditch.

**5) Information Items.**

**5.1) Update on Water Treatment Plant Annual Maintenance. (Operations Manager Thompson II)**

Operations Manager Thompson II and Senior Maintenance Mechanic Mahoney provided an overview of the annual water treatment plant maintenance schedule and plan including staff's monitoring, findings, recommendations, and the process for repairs and replacement of equipment.

**5.2) Update on Monitoring of Wind Turbine Through Black & Veatch. (Engineering Manager Knudson)**

Engineering Manager Knudson informed the Committee that communication has been established between the wind turbine and the office of Black & Veatch; that Operations staff was helpful in establishing this communication; and that monitoring the real time performance of the wind turbine can now begin.

**5.3) Update on Deferred Maintenance and Projects. (Facilities Manager Moore)**

Facilities Manager Moore informed the Committee that since the last Committee meeting, deferred maintenance reports including projects, concerns, and costs have been included with the monthly Department Status Reports; that in the past five months, two pipeline projects have been completed in-house; that Facilities and Engineering staff continue to target priority areas for pipeline repair or replacement; and that air-vacs are being repaired to improve the operation of the system.

He and Equipment Mechanic Supervisor Hardenbrook then provided an alternative for replacing the budgeted \$100,000 new dump truck with a used dump truck and a used backhoe for \$100,000 or less after which the Committee concurred with staff's recommendation on this equipment, and General Manager LaMoreaux recommended the Committee report this equipment replacement to the full Board.

Equipment Mechanic Supervisor Hardenbrook then informed the Committee of staff's equipment maintenance schedule and well and booster maintenance schedule.

**5.4) Other.**

General Manager LaMoreaux informed the Committee that last year an engineering class from UCLA toured the District's wind turbine site as part of their renewable energy tour and that this same tour is scheduled this year for Saturday, March 2, at 2:00 p.m.

He then informed the Committee that the water main replacement project to the north of the nearly completed water main replacement project near Yucca Elementary School has been advertised for bids in anticipation of financing opportunities; that bids are scheduled to be opened March 13 at 3:00 p.m.; and that a contract will not be awarded until funding is secured.

Engineering Manager Knudson then informed the Committee that the District has been approached regarding a cell tower lease at the lower El Camino tank site just west of the Antelope Valley freeway south of Avenue S and that this lease will be presented to the Committee for consideration once an agreement has been developed.

There were no additional information items to discuss.

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

Chair Alvarado requested that, once hired, the new Treatment Plant Supervisor attend a Facilities Committee meeting.

It was then determined that "Status report on Facilities Committee goals and projects," "Discussion and possible action on infrastructure management elements identified in the Strategic Plan," "Discussion and possible action on pending water quality regulations," and "Discussion and possible action on repairs to Palmdale Ditch" will be placed on the next agenda.

There were no further requests for future agenda items.

The next Facilities Committee meeting was then scheduled for March 19, 2013 at 5:15 p.m.



7) Adjournment.

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

Rohit E. Alvarado

Chair

**March 27, 2013**

## Board Meeting

**RE:     *AGENDA ITEM NO. 8.2 – REPORT OF GENERAL MANAGER –  
DISTRICT VACANCIES***

All budgeted positions are currently filled with the following exceptions:

**Comment**

Retired

Executing hiring process approved 2/13/13

Executing hiring process approved 11/14/12

Executing hiring process approved 11/14/12

Letter of Resignation effective 4/26/13