



PALMDALE WATER DISTRICT

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

LAGERLOF, SENECAI, GOSNEY & KRUSE LLP
Attorneys



Board of Directors

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Division 1
GORDON G. DEXTER
Division 2
GLORIA DIZMANG
Division 3
KATHY MAC LAREN
Division 4
STEVE R. CORDOVA
Division 5

November 7, 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, November 13, 2013

5:30 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) No presentations scheduled at this time.

- 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 October 23, 2013.
 - 6.2) Payment of bills for November 13, 2013.
 - 6.3) Ratification of lowering Palmdale Lake below water elevation specified in Rules and Regulations Section 14.02. (Systems Supervisor Jeters)
 - 6.4) Approval of Attorney Conflict Waiver for Palmdale Recycled Water Authority. (General Manager LaMoreaux)
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Status report on Cash Flow Statement and Current Cash Balances as of September 30, 2013. (Financial Advisor Egan/Finance Committee)
 - 7.2) Status report on Financial Statements, Revenue and Expense and Departmental Budget Reports for September 30, 2013. (Finance Manager Williams/Finance Committee)
 - 7.3) Status report on committed contracts issued. (Engineering Manager Knudson/Finance Committee)
 - 7.4) Consideration and possible action on Reserve Policy. (Finance Manager Williams/Finance Committee)
 - 7.5) Consideration and possible action on the Butte water lease extension contracts. (Water & Energy Resources Manager Pernula)
 - 7.6) Consideration and possible action on Safety Footwear Policy. (Facilities Manager Moore/Personnel Committee)
 - 7.7) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
 - a) California Special Districts Association Special District Leadership Academy Module 1 – Governance Foundations to be held December 17, 2013 in Claremont.
- 8) Information Items:
 - 8.1) Reports of Directors: Meetings, Committee meetings, and general report.
 - 8.2) Report of General Manager.
 - a) District vacancies.
 - 8.3) Report of Attorney.
- 9) Public comments on closed session agenda matters.

- 10) Closed session under:
 - 10.1) Government Code Section 54956.9(d)(1), pending litigation: *Antelope Valley Ground Water Cases*.
 - 10.2) Government Code Section 54956.9(d)(1), pending 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(d)(1), pending 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(d)(1), pending litigation: *Velez v. City of Palmdale, et al, Los Angeles Superior Court Case No. MC023216*.
 - 10.5) Government Code Section 54957: *Conference with consultant and General Manager LaMoreaux regarding General Manager Evaluation*.
- 11) Public report of any action taken in closed session.
- 12) Consideration and possible action on increase of General Manager's compensation.
- 13) Board members' requests for future agenda items.
- 14) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: November 6, 2013 **November 13, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Kelly Jeters, Systems Supervisor
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – RATIFICATION OF LOWERING
PALMDALE LAKE BELOW WATER ELEVATION SPECIFIED IN
RULES AND REGULATIONS SECTION 14.02.***

Recommendation:

Staff recommends the Board ratify staff's decision to lower Palmdale Lake below the water elevation specified in Rules and Regulations Section 14.02 to accommodate the Los Angeles County Fire Department Special Forestry Division.

Background:

The Los Angeles County Fire Department Special Forestry Division requested the District lower Palmdale Lake for them to conduct a burn of reeds and cattails in order to improve the habitat for the tri-colored blackbird. District staff complied with this request and began lowering the Lake level last month as controlling the reeds and cattails is also a benefit to the District by reducing an organic compound that contributes to Total Organic Compounds (TOC) and Trihalomethanes (THM).

Trihalomethanes (THM) are a group of four chemicals that are formed along with other disinfection by products when chlorine or other disinfectants used to control microbial contaminants in drinking water react with naturally occurring organic and inorganic matter in water.

The removal of the reeds and cattails helps reduce organic consumption to ensure water supplies to existing and future customers.

The burn areas are outlined in red on the attached map of Palmdale Lake, and the burn is anticipated to occur within two or three weeks.

Strategic Plan Element:

This work is part of Strategic Element 1.0 Regulatory Compliance and 2.1 Natural Resources Management.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

November 6, 2013

Budget:

This item does not affect the budget.

The Tri-Colored Blackbird Habitat Program is funded through the Los Angeles County Fire Department Special Forestry Division; all notifications and permits have been completed by them.

Supporting Documents:

- PWD Rules and Regulations Article 14: Rules Applicable to the Operation and Use of Palmdale Lake
- Map of Palmdale Lake with burn areas outlined in red

**ARTICLE 14: RULES APPLICABLE TO THE OPERATION AND USE OF
PALMDALE LAKE (Revised 1-28-09)**

The primary purpose of Palmdale Lake is for storage of a dependable, potable source of water supply of the inhabitants of the District. In furtherance of that general policy, Palmdale Lake is not open to the general public for recreational purposes.

14.01: CONTROLLED RECREATION

Palmdale Lake shall be made available on a limited basis for controlled recreation. Such access shall be provided pursuant to agreement between the District and the particular person or persons desiring access to the lake. Recreational use is limited to boating, hunting and fishing only. No swimming or wading is allowed.

- A. Outside Boats:** To prevent invasive species (Quagga/Zebra Mussels) infestation of Palmdale Lake, outside boats are restricted from entering the Lake unless said boats have successfully undergone the proper inspection program as stated in Resolution 09-02 attached hereto as Appendix AA.

14.02: WATER LEVELS

To insure that enough water will be stored in Palmdale Lake to protect the District from a temporary disruption of water deliveries from the State Water Project or other source, minimum water levels shall be maintained:

- A.** From May 1 to October 1 of each year, the minimum water elevation shall be 2812.5 feet.
- B.** After October 1, the Lake may be drained down 5.5 feet to a minimum elevation of 2807.0 feet. That elevation shall be maintained until it can reasonably be determined that water will be available in Littlerock Dam for delivery to Palmdale Lake.
- C.** At no time shall Palmdale Lake be drained to an elevation below 2805.0 feet without prior approval of the Board.

Lake Palmdale
Palmdale Quad
Draft Rx Areas

Proposed burn
areas shown
outlined in red



E Conklin
02/09/12
NAD 1983

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: November 6, 2013 **November 13, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.4 – APPROVAL OF ATTORNEY CONFLICT
WAIVER FOR PALMDALE RECYCLED WATER AUTHORITY***

Recommendation:

Staff recommends the Board approve the Attorney Conflict Waiver letter from Attorney Ciampa for the Palmdale Recycled Water Authority.

Background:

The Board of Directors of the Palmdale Recycled Water Authority made the determination to rotate General Counsel for the Authority between the City of Palmdale's City Attorney's Office and the Palmdale Water District's General Counsel on an annual basis beginning in January of each year. The City Attorney's Office has acted as General Counsel for the Authority for the 2013 year.

As outlined on the attached Attorney Conflict Waiver letter, the informed written consent of both the City of Palmdale and the Palmdale Water District must be obtained for Attorney Ciampa to act as General Counsel for the Authority for the 2014 year.

Strategic Plan Element:

This work is part of Strategic Element 2.0 Natural Resources Management.

Budget:

This item will not affect the budget.

Supporting Documents:

- Attorney Conflict Waiver letter



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Established 1908

November 6, 2013

VIA E-MAIL

Hon. James C. Ledford, Jr.
Chair, Palmdale Recycled Water Authority
38300 Sierra Highway
Palmdale, CA 93550-4798

Hon. Kathy Mac Laren
President, Board of Directors
2029 East Avenue Q
Palmdale, CA 93550

Re: Attorney Conflict Waiver

Dear Chair Ledford and President Mac Laren:

As you know, the Palmdale Recycled Water Authority ("Authority") is a joint powers authority, whose members are the City of Palmdale ("City") and the Palmdale Water District ("District"). We understand that the Authority's governing board has determined that it is in the best interests of the Authority to utilize the City's City Attorney's Office and the District's General Counsel to serve as General Counsel to the Authority, on a rotating basis. Under that structure, the City Attorney and District's General Counsel would rotate annually, with the transition to occur in January of each year.

The California Rules of Professional Responsibility preclude an attorney from representing a client in one matter and at the same time in a separate matter accepting as a client an entity whose interest potentially conflicts to the client in the first matter without the informed written consent of each client (Rule 3-310(C)(1)).

This rule means that the partners and associate attorneys at my firm (including me), as attorneys for the District, are precluded from providing services for a new client (the Authority) if at the same time, we represent an existing client (the District) in a matter where the Authority's interests could potentially be adverse to the District, without first obtaining the informed written consent of each client.

The specific rules that require such consent are Rules 3-310 (A), (B) and (C) of the Rules of Professional Conduct, which provide as follows:

Rule 3-310. Avoiding the Representation of Adverse Interests

(A) For purposes of this rule:

(1) "Disclosure" means informing the client or former client of the relevant circumstances and of the actual and reasonably foreseeable adverse consequences to the client or former client;

(2) "Informed written consent" means the client's or former client's written agreement to the representation following written disclosure;

(3) "Written" means any writing as defined in Evidence Code section 250.

(B) A member shall not accept or continue representation of a client without providing written disclosure to the client where:

(1) The member has a legal, business, financial, professional, or personal relationship with a party or witness in the same matter; or

(2) The member knows or reasonably should know that:

(a) the member previously had a legal, business, financial, professional, or personal relationship with a party or witness in the same matter, and

(b) the previous relationship would substantially affect the member's representation; or

(3) The member has or had a legal, business, financial, professional, or personal relationship with another person or entity the member knows or reasonably should know would be affected substantially by resolution of the matter; or

(4) The member has or had a legal, business, financial, or professional interest in the subject matter of the representation.

(C) A member shall not, without the informed written consent of each client:

(1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or

(2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or

(3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.

The purpose of the Authority is described in Section 2.3 of the *Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority* as follows:

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

construction or installation of recycled water facilities, recharge facilities and irrigation systems.

We understand that the interests of the District are not currently adverse to the interests of the Authority. However, as the Authority begins operations, the interests of the District may differ from the Authority. For example, there could be disputes between the District and the Authority regarding the amount of Authority resources allocated to particular activities, or disputes regarding each member's responsibilities in the event of a claim brought against the District and Authority.

In the event there is a dispute over the activities of the Authority, the interests of the District may become adverse to the Authority. In the event such a dispute arises, where the interests of the District are adverse to the Authority, my firm and I would be obliged to disqualify ourselves from representing some or all of the entities in that dispute. The Authority acknowledges and consents, unless ethically impossible under the circumstances, to my firm continuing to represent the District in the event of a conflict between the District and the Authority.

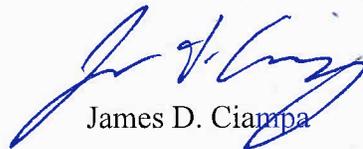
In light of this potential conflict, it is appropriate for us to seek the Authority's informed written consent of our representation of the Authority on matters to which the Authority is potentially, but not currently, adverse to the District.

Accordingly, we request that the Authority approve this disclosure and consent acknowledging that: (i) the Authority has been advised of Rule 3-310(C) and of the potential conflicts associated with our (James D. Ciampa and any other attorney of Lagerlof, Senecal, Gosney & Kruse, LLP) representation of the Authority while at the same time representing the District as its General Counsel; and (ii) the Authority consents to my firm concurrently representing the Authority and the District.

The Authority is encouraged to seek independent counsel at any time if the Authority seeks legal guidance in the approval of this consent. We apologize for the formality of this letter, but are required by California law to provide this information in writing.

If you have any questions, please feel free to call me.

Very truly yours,


James D. Ciampa

JDC/cc

APPROVAL AND CONSENT

James D. Ciampa of Lagerlof, Senecal, Gosney & Kruse, LLP, General Counsel for Palmdale Water District, has disclosed and explained that there exists potential conflicting interests in his firm's concurrent representation of the Authority and Palmdale Water District and has informed the Authority of the possible consequences of these conflicts. The Authority understands that it has the right to seek independent counsel before signing this consent or at any future time. The Authority desires to have the benefit of the representation by James D. Ciampa and Lagerlof, Senecal, Gosney & Kruse, LLP in connection with matters involving the Authority and consents and gives approval to such representation as well as consents and gives approval to James D. Ciampa and Lagerlof, Senecal, Gosney & Kruse, LLP to continue the representation of the Palmdale Water District.

James C. Ledford, Jr., Chair
Palmdale Recycled Water Authority
November __, 2013

Acknowledged:

Kathy Mac Laren
President, Board of Directors
Palmdale Water District
November __, 2013

*Lagerlof
Senecal
Gosney & Kruse*
LLP

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE: November 7, 2013
TO: BOARD OF DIRECTORS
FROM: Mr. Bob Egan, Financial Advisor
RE: *AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT
AND CURRENT CASH BALANCES AS OF SEPTEMBER 30, 2013*

Attached is the Investment Funds Report and current cash balance as of September 30, 2013. The reports will be reviewed in detail at the Board meeting.

REVISED 10/09/13	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	YTD
	January	February	March	April	May	June	July	August	September	October	November	December		
Water Sales	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	2,478,205	2,221,000	2,054,200	1,759,700	24,108,990	
	1,650,519	1,596,949	1,675,412	1,839,852	1,983,700	2,140,418	2,277,708	2,431,328	2,478,205	2,221,000	2,054,200	1,759,700		
Beginning Balance	9,001,455	9,043,624	9,364,314	7,809,930	10,211,620	10,779,452	11,006,048	10,019,343	10,128,644	8,592,553	8,070,371	8,246,470		
Water Receipts	2,428,492	1,596,949	1,905,179	1,839,852	1,931,246	2,072,882	2,277,708	2,270,293	2,513,011	2,221,000	2,054,200	1,759,700	24,870,512	
Other														
Total Operating Revenue	2,428,492	1,596,949	1,905,179	1,839,852	1,931,246	2,072,882	2,277,708	2,270,293	2,513,011	2,221,000	2,054,200	1,759,700		
Operating Expenses:														
Total Operating Expenses excl GAC	1,953,262	1,477,034	1,514,430	1,096,787	1,588,065	1,618,182	1,764,877	1,781,171	1,771,481	1,839,550	1,794,100	2,255,100	20,454,039	3,654,951
Non-Operating Revenue Expenses:														
Assessments, net	620,213	287,572	2,234	1,883,965	585,806	5,790	287,658	134,539			113,500	2,383,600	6,304,877	
Special Avek CIF Payment													0	
Interest	(5,316)	(6,054)	1,396	(424)	835	5,250	(66)	8,950	7,332	2,100	2,100	2,100	18,203	
Mkt adj					(16,104)	(16,532)	7,269	(15,534)	12,994					
Grant Re-imburement												485,000	485,000	
Capital Improvement Fees		44,176	(116,241)	0	48,031	0	0	22,053		12,500	12,500		23,019	
													0	
DWR Refund/(payment)				59,514	35,285		(436,485)							(341,686)
Other /Palmdale Redevel Agency	9,828	54,653	6,774	13,488	16,165	9,849	41,835		16,344	138,460			307,396	
Total Non-Operating Revenues	624,724	380,347	(105,836)	1,956,543	670,018	4,358	(99,789)	150,008	36,670	153,060	128,100	2,870,700	6,796,809	
Capital Expenditures	(194,434)		(61,168)	(103,645)	(54,481)	(52,617)	(82,411)	(99,088)	(49,900)	(448,220)			(1,145,964)	
GAC	(233,893)				(216,776)		(216,829)	(216,829)	(434,776)	(38,405)			(1,357,508)	
SWP Capitalized	(629,459)	(156,354)	(180,606)	(156,354)	(156,354)	(156,354)	(575,348)	(156,281)	(156,281)	(156,400)	(156,400)	(156,400)	(2,792,591)	
Prepaid Insurance (paid) refunded			(65,835)					(34,140)					(99,975)	
Bond Payments Interest			(1,010,820)						(829,635)				(1,840,455)	
Principal			(517,540)						(1,261,179)				(1,778,719)	
System Work for AVEK													0	
Butte payments							(507,402)					(507,402)	(1,014,804)	
Capital leases		(23,218)	(3,327)	(37,919)	(17,756)	(23,491)	(17,756)	(23,491)	(17,296)	(17,296)	(17,296)	(17,296)	(216,142)	
Legal adjudication fees													0	
Total Cash Ending Balance	9,043,624	9,364,314	7,809,930	10,211,620	10,779,452	11,006,048	10,019,343	10,128,644	8,592,553	8,070,371	8,246,470	9,940,672	(10,246,158)	
											Budget	8,193,078	205,603	
											diff	1,747,594		

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE: November 5, 2013 **November 13, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM 7.2 – STATUS REPORT ON FINANCIAL STATEMENTS,
REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR
SEPTEMBER 30, 2013*

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending September 30, 2013. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of September, 2013.

This is the ninth month of the District's Budget Year 2013. The target percentage is 75%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on September 30, 2013.
- Investments have decreased by \$2MM due to principal and interest payments on bonds.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on September 30, 2013.
- Operating revenue is at 78% of budget.
- Cash operating expense is at 72% of budget.
- Looking at cash operations only, revenue is at \$18MM, expense is at \$15.3MM, that's net \$2.7MM profit from operations. In 2012, nine months operations was at net \$1.1MM.
- Three departments are over the target 75%. Those are Engineering, Operations and Finance. We have discussed the reasons in prior month reviews for Engineering and Operations; Finance is due to meter exchanges. Remaining departments are under the 75% target.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of September 2012 to September 2013.
- Total operating revenue is up by \$78K, or 3.2%.
- Operating expenditures are up by \$400K, or 27%.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were up by 46, or 2%. Total revenue per unit sold is up \$0.03, or 1.2%, and total revenue per connection is up \$3.06, or 3.36%.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

November 5, 2013

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year to date.
- Operating revenue through September 2013 is up by \$1.37MM, or 8%, compared to 2012.
- Retail water related sales are up by \$960K over last year.
- As mentioned, we are at 78% of budget; last year this time we were at 76%.
- Total revenue is up \$159K. or just under 1%.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year to date.
- Cash Operating Expenses through September, 2013 are down by \$265K, or 1.7%, compared to 2012.
- Total Expenses are up \$53K.

Departments:

- Pages 14 through 22 are detailed budgets of each department. As stated earlier, all departments are below the target 75% with the exception of Engineering, Operations and Finance.
- Finance is over budget due to meter exchanges.

Non-Cash Definitions:

Depreciation: This is the spreading of the total expense of a capital asset over the expected life of that asset.

OPEB Accrual Expense: Other Post Employment Benefits (OPEB) is the recognized annual required contribution to the benefit. The amount is actuarially determined in accordance with the parameters of GASB 45. The amount represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

Bad Debt: The uncollectible accounts receivable that has been written off.

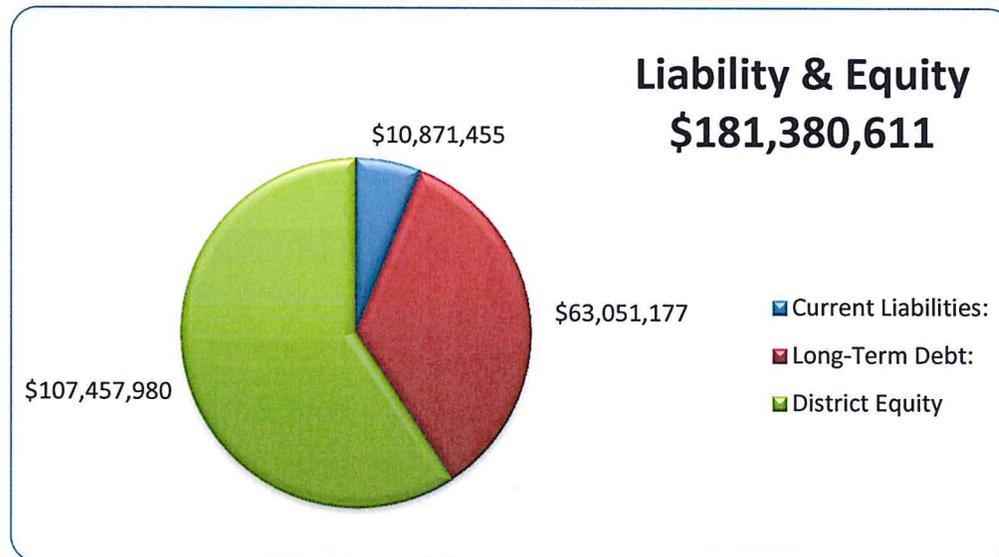
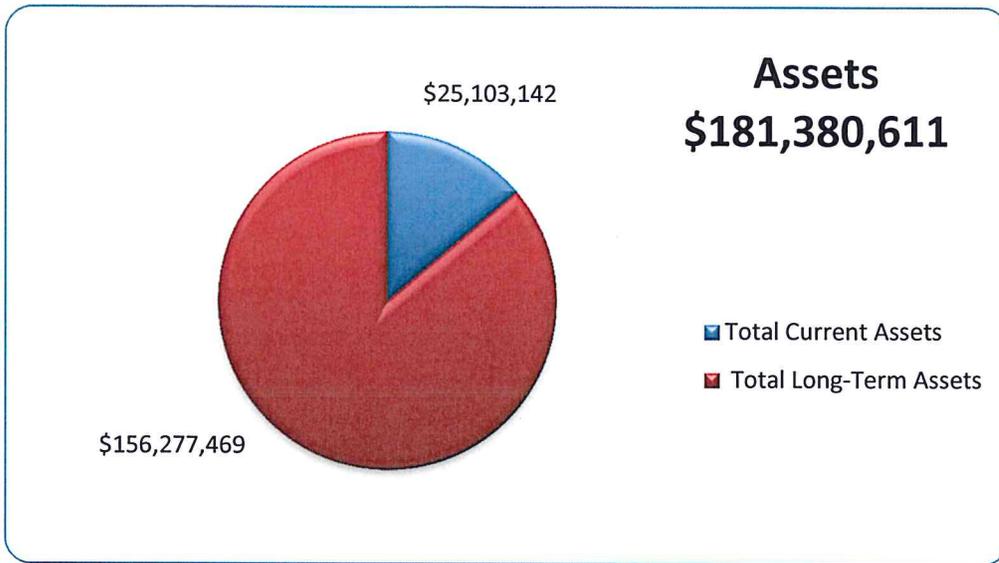
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

Capitalized Construction: The value of our labor force used to construct our asset infrastructure.

Palmdale Water District
Balance Sheet Report
For the Nine Months Ending 9/30/2013

	September 2013	August 2013
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 798,330	\$ 263,720
Investments	7,794,231	9,864,931
2013A Bonds - Project Funds	7,989,546	8,222,486
	\$ 16,582,107	\$ 18,351,137
Receivables:		
Accounts Receivables - Water Sales	\$ 1,946,233	\$ 1,925,145
Accounts Receivables - Miscellaneous	257,201	255,213
Allowance for Uncollected Accounts	(49,317)	(49,317)
	\$ 2,154,117	\$ 2,131,042
Interest Receivable	\$ 9	\$ 9
Assessments Receivables	5,419,745	5,419,745
Meters, Materials and Supplies	885,827	793,260
Prepaid Expenses	61,337	82,006
Total Current Assets	\$ 25,103,142	\$ 26,777,200
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 116,435,467	\$ 116,567,356
Participation Rights in State Water Project, net	38,188,414	38,148,580
Bond Issuance Cost, Net	253,874	256,225
2013A Bonds - Cost of Issuance	1,159,832	1,159,832
2013A Bonds - Insurance & Surety Bond	239,882	240,548
Total Long-Term Assets	\$ 156,277,469	\$ 156,372,541
Total Assets	\$ 181,380,611	\$ 183,149,741
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ -	\$ 638,046
Current Principal Installment of Long-term Debt	1,424,665	1,424,665
Accounts Payable and Accrued Expenses	5,530,128	5,220,449
Deferred Assessments	3,916,661	3,916,661
Total Current Liabilities	\$ 10,871,455	\$ 11,199,821
Long-Term Debt:		
Pension-Related Debt	\$ 1,141,041	\$ 1,141,041
OPEB Liability	7,301,605	7,153,477
2013A Water Revenue Bonds	43,680,233	44,422,483
2012 - Certificates of Participation	10,471,166	10,985,547
2011 - Capital Lease Payable	457,132	470,870
Total Long-Term Liabilities	\$ 63,051,177	\$ 64,173,418
Total Liabilities	\$ 73,922,631	\$ 75,373,239
District Equity		
Revenue from Operations	\$ (1,974,725)	\$ (1,656,202)
Retained Earnings	109,432,704	109,432,704
Total Liabilities and District Equity	\$ 181,380,611	\$ 183,149,741

BALANCE SHEET AS OF SEPTEMBER 30, 2013



Palmdale Water District
Consolidated Profit and Loss Statement
For the Nine Months Ending 9/30/2013

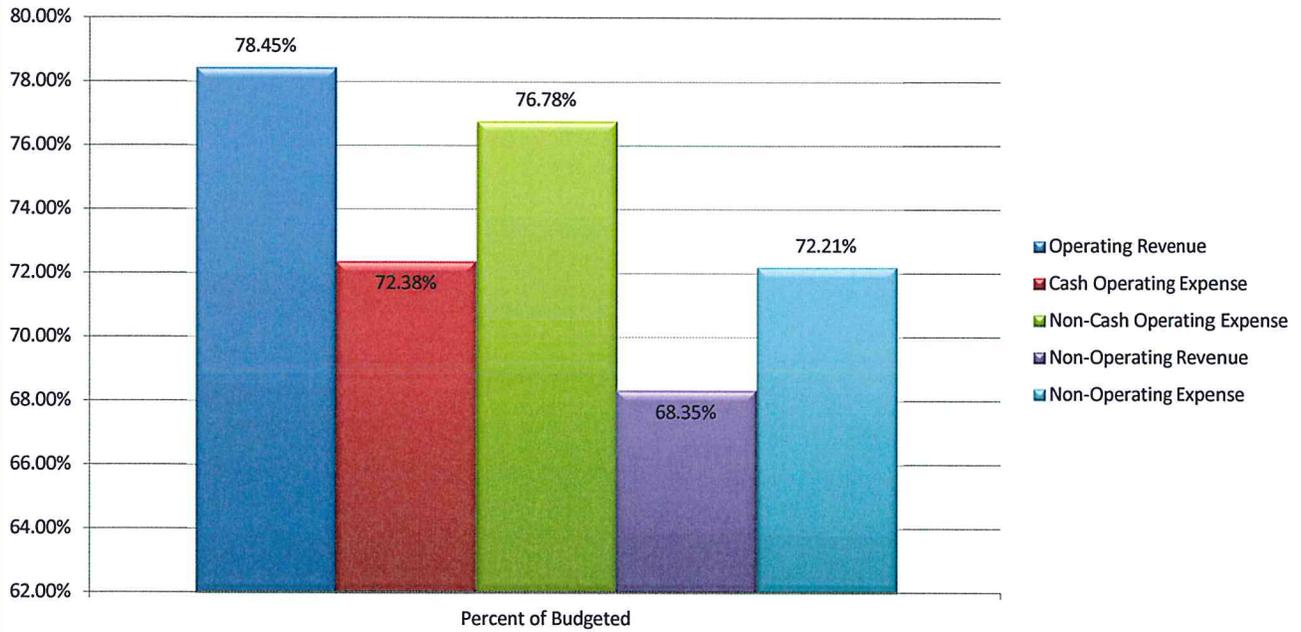
	Thru August	September	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 89,071	\$ 45,447	\$ 134,519		\$ 175,000	76.87%
Water Sales	5,544,885	1,116,813	6,661,698		8,198,000	81.26%
Meter Fees	7,362,528	923,012	8,285,541		11,232,000	73.77%
Water Quality Fees	1,058,585	199,141	1,257,726		1,638,000	76.78%
Elevation Fees	351,222	69,805	421,027		550,000	76.55%
Other	1,192,114	125,016	1,317,130		1,250,000	105.37%
Total Water Sales	\$ 15,598,405	\$ 2,479,235	\$ 18,077,641	\$ -	\$ 23,043,000	78.45%
Cash Operating Expenses:						
Directors	\$ 66,117	\$ 10,377	\$ 76,494		\$ 117,500	65.10%
Administration	1,509,092	143,711	1,652,803		2,602,000	63.52%
Engineering	844,916	105,027	949,942		1,215,750	78.14%
Facilities	1,961,017	232,301	2,193,318		3,298,500	66.49%
Operations	3,415,180	498,348	3,913,528		4,944,250	79.15%
Finance*	1,823,871	299,246	2,123,117	(24,300)	2,764,700	76.79%
Water Conservation	152,220	20,738	172,958		239,750	72.14%
Human Resources*	109,164	8,599	117,763	24,300	233,900	50.35%
Information Technology	421,068	42,683	463,751		728,000	63.70%
Water Purchases	1,922,764	74,873	1,997,637		2,600,000	76.83%
Water Purchases-Prior Year OAP	436,485	-	436,485		-	
Water Recovery	(535,297)	-	(535,297)		(100,000)	535.30%
Capitalized Expenditures	615,199	19,372	634,571		836,500	75.86%
GAC Filter Media Replacement	653,896	435,697	1,089,593		1,638,000	66.52%
Total Cash Operating Expenses	\$ 13,395,692	\$ 1,890,971	\$ 15,286,663	\$ -	\$ 21,118,850	72.38%
Non-Cash Operating Expenses:						
Depreciation	\$ 5,237,478	\$ 577,874	\$ 5,815,352		\$ 7,250,000	80.21%
OPEB Accrual Expense	1,321,781	165,223	1,487,004		2,000,000	74.35%
Bad Debts	5,426	155	5,581		100,000	5.58%
Service Costs Construction	90,140	3,188	93,328		125,000	74.66%
Capitalized Construction	(737,698)	(156,643)	(894,341)		(1,000,000)	89.43%
Total Non-Cash Operating Expenses	\$ 5,917,126	\$ 589,797	\$ 6,506,923	\$ -	\$ 8,475,000	76.78%
Net Operating Profit/(Loss)	\$ (3,714,412)	\$ (1,533)	\$ (3,715,946)	\$ -	\$ (6,550,850)	56.72%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 3,047,176	\$ -	\$ 3,047,176		\$ 4,300,000	70.86%
Assessments (1%)	\$ 1,275,992	-	1,275,992		1,500,000	85.07%
DWR Fixed Charge Recovery	94,799	-	94,799		100,000	94.80%
Interest	(28,028)	20,326	(7,702)		25,000	-30.81%
Capital Improvement Fees	(1,981)	-	(1,981)		150,000	-1.32%
State Grants	-	-	-		485,000	0.00%
Other	161,500	16,343	177,843		150,000	118.56%
Total Non-Operating Revenues	\$ 4,549,459	\$ 36,669	\$ 4,586,127	\$ -	\$ 6,710,000	68.35%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 1,250,216	\$ 201,283	\$ 1,451,499		\$ 2,111,000	68.76%
Amortization of SWP	1,155,344	144,745	1,300,089		1,679,000	77.43%
Water Conservation Programs	85,604	7,715	93,318		150,000	62.21%
Total Non-Operating Expenses	\$ 2,491,164	\$ 353,743	\$ 2,844,906	\$ -	\$ 3,940,000	72.21%
Net Earnings	\$ (1,656,117)	\$ (318,607)	\$ (1,974,725)	\$ -	\$ (3,780,850)	52.23%

* Budget adjustments by General Manager per Appendix A

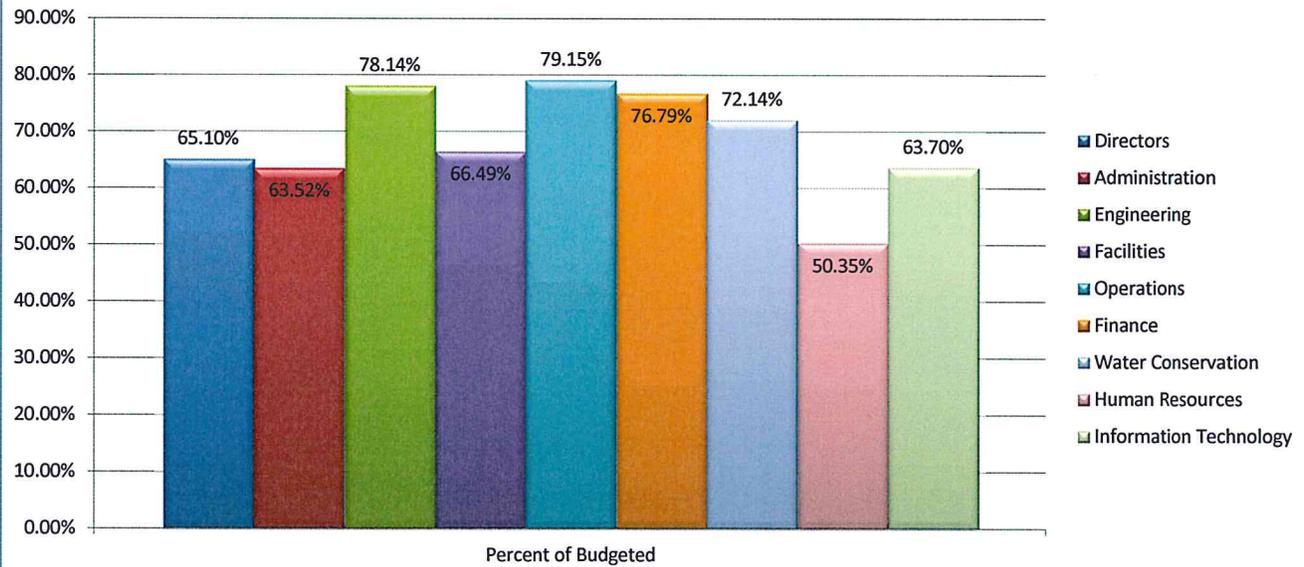
OTHER OPERATING REVENUE

Account Setup Charge(\$25)	\$3,400.00
Account Setup Charge/CC (\$35)	\$2,380.00
After Hours Service Call	\$80.00
Construction Meter Install(\$250)	\$500.00
Credit Check(\$10)	\$10.00
Door Tag Fee(\$20)	\$49,640.00
Lock Broken or Missing(\$15)	\$165.00
Meter Exchange 1" to 5/8"(\$240)	\$720.00
Miscellaneous Charge	\$160.00
Pulled Meter Service Charge(\$60)	\$300.00
Repair Angle Stop(\$440.00)	\$2,640.00
Shut-Off Charge(\$30)	\$8,340.00
Shut-Off Processing Fee(\$20)	\$40.00
Standard Trip Charge(\$15)	\$360.00
Late Fees	\$57,066.03
NSF Fee	\$1,500.00
	<u>\$127,301.03</u>

P & L BUDGET vs. ACTUAL



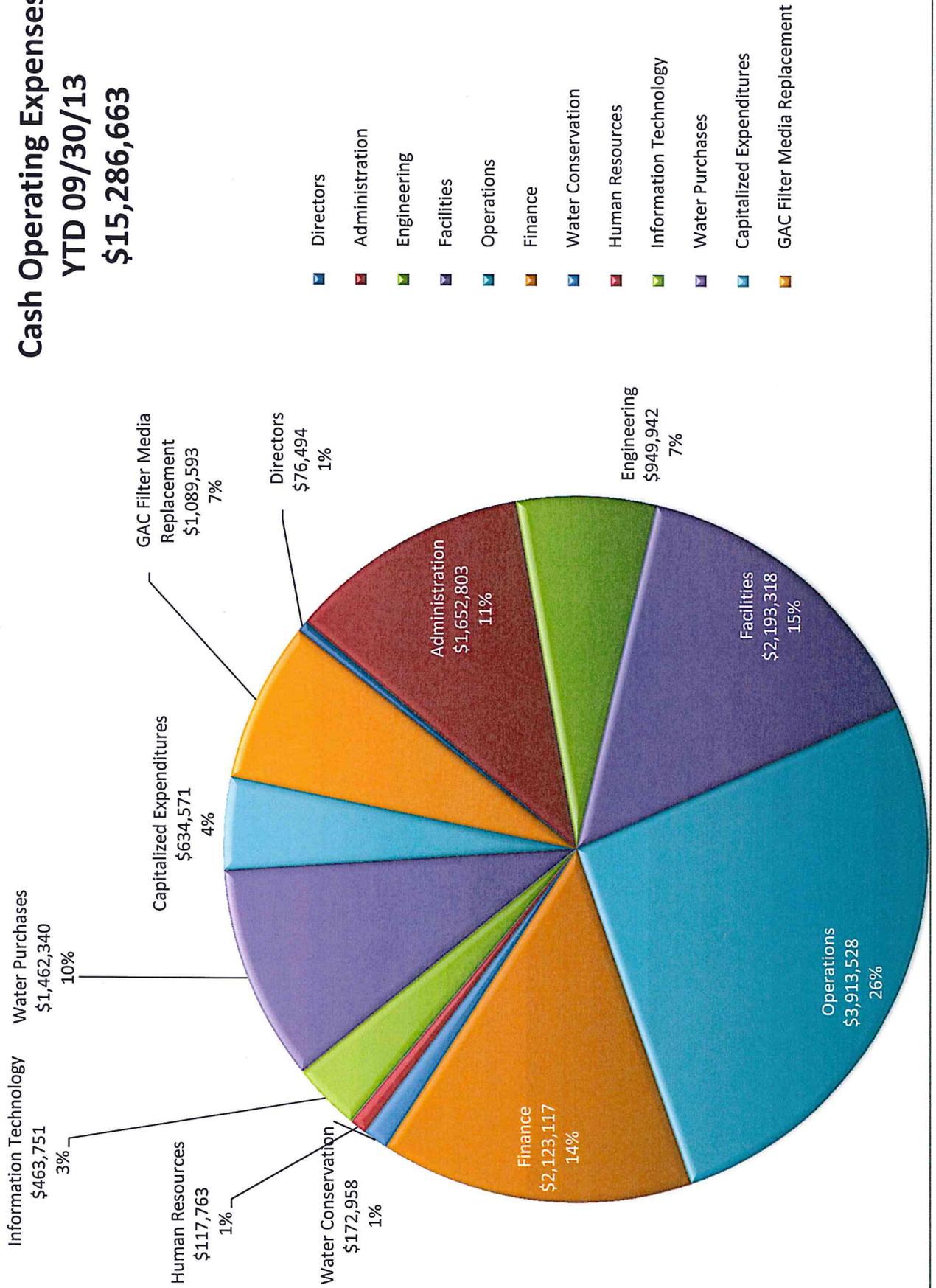
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses

YTD 09/30/13

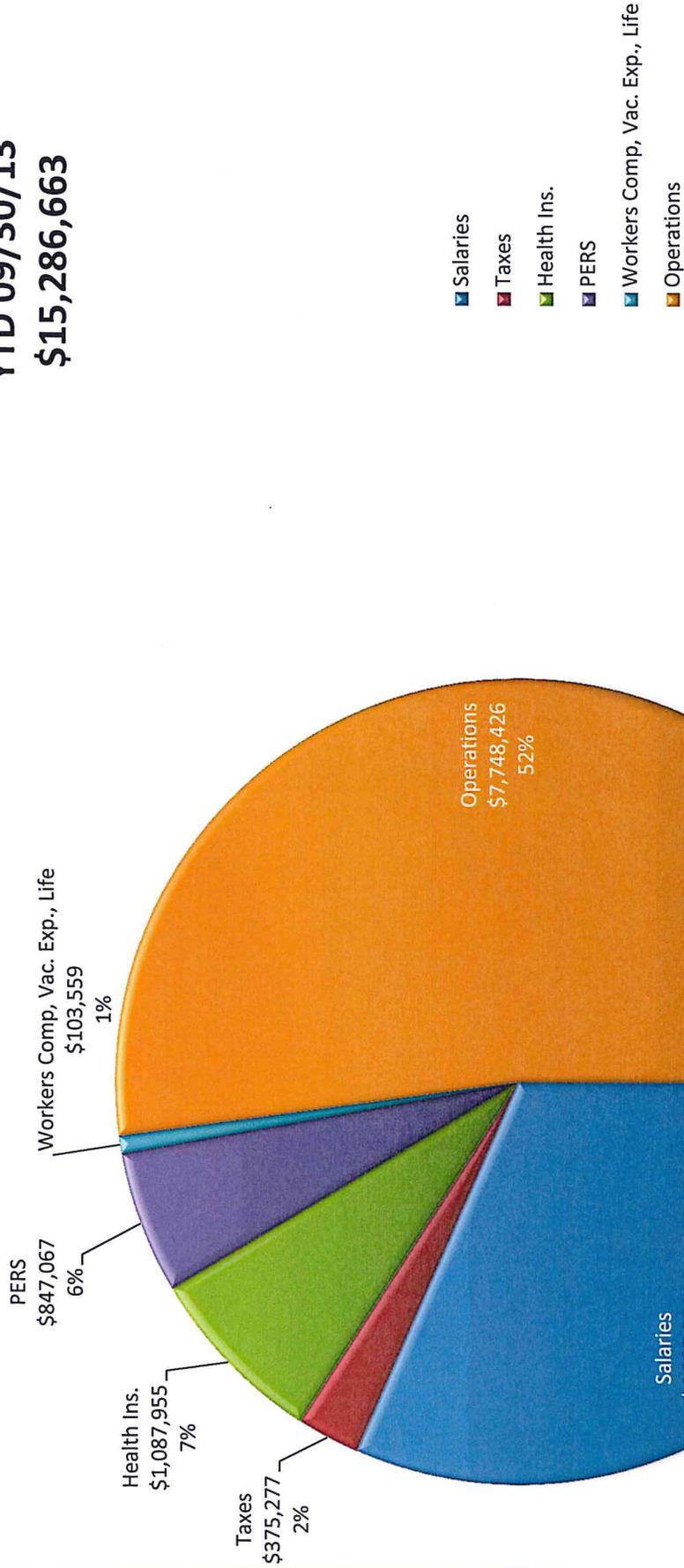
\$15,286,663



Personnel to Operations Exp

YTD 09/30/13

\$15,286,663

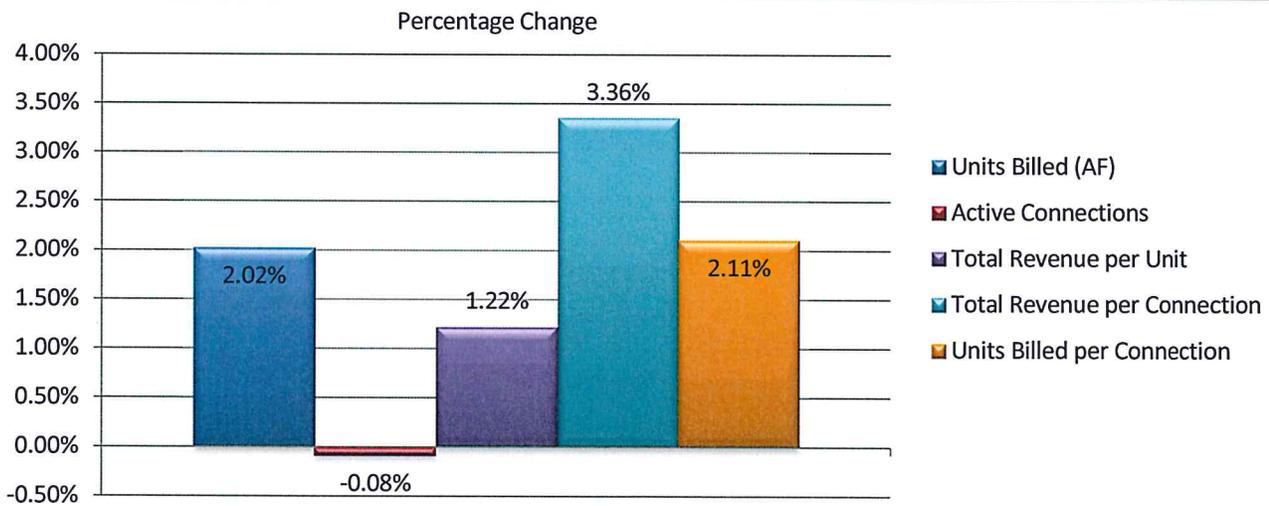
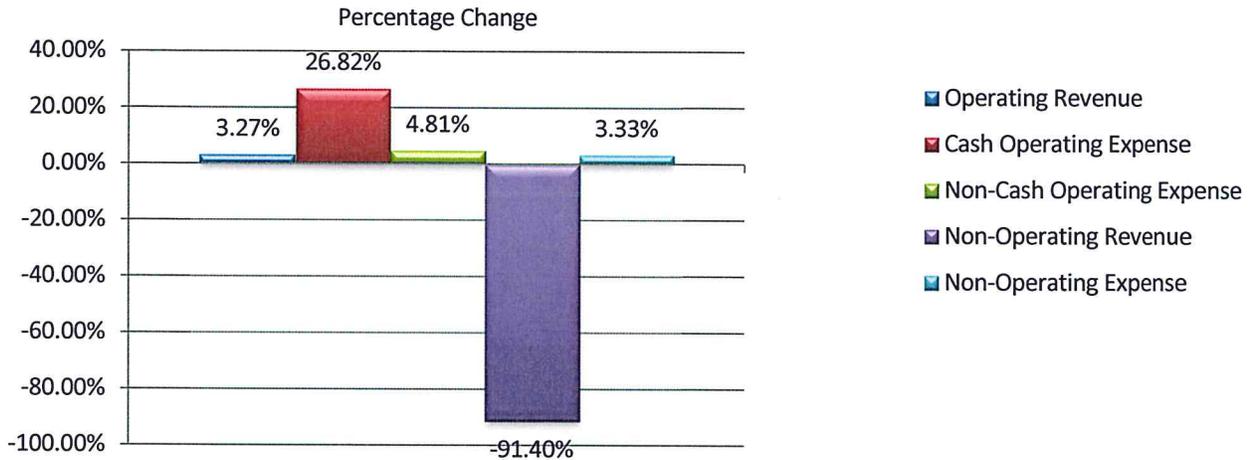


Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison - September

	2012		2013		Consumption Comparison		
	September	September	Change	% Change	Units Billed	2012	2013
Operating Revenue:							
Wholesale Water	\$ -	\$ 45,447	\$ 45,447		Active	26,367	26,345
Water Sales	1,144,659	1,116,813	(27,846)	-2.43%	Vacant	1,275	1,008
Meter Fees	867,347	923,012	55,666	6.42%			
Water Quality Fees	195,914	199,141	3,226	1.65%	Rev/unit	\$ 2.45	\$ 2.48
Elevation Fees	70,163	69,805	(358)	-0.51%	Rev/con	\$ 91.05	\$ 94.11
Other	122,648	125,016	2,368	1.93%	Unit/con	37.18	37.96
Total Water Sales	\$ 2,400,731	\$ 2,479,235	\$ 78,504	3.27%			
Cash Operating Expenses:							
Directors	\$ 9,259	\$ 10,377	\$ 1,118	12.07%			
Administration	113,647	143,711	30,064	26.45%			
Engineering	92,426	105,027	12,600	13.63%			
Facilities	259,287	232,301	(26,985)	-10.41%			
Operations	408,230	498,348	90,118	22.08%			
Finance	252,977	299,246	46,269	18.29%			
Water Conservation	18,022	20,738	2,715	15.07%			
Human Resources	4,379	8,599	4,220	96.36%			
Information Technology	46,368	42,683	(3,685)	-7.95%			
Water Purchases	55,873	74,873	19,000	34.01%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	-	-				
Capitalized Expenditures	12,569	19,372	6,803	54.12%			
GAC Filter Media Replacement	217,991	435,697	217,705	99.87%			
Total Cash Operating Expenses	\$ 1,491,029	\$ 1,890,971	\$ 399,942	26.82%			
Non-Cash Operating Expenses:							
Depreciation	\$ 565,587	\$ 577,874	\$ 12,287	2.17%			
OPEB Accrual Expense	147,678	165,223	17,545	11.88%			
Bad Debts	(54)	155	209	-386.98%			
Service Costs Construction	(48,273)	3,188	51,461	-106.60%			
Capitalized Construction	(102,213)	(156,643)	(54,430)	53.25%			
Total Non-Cash Operating Expenses	\$ 562,725	\$ 589,797	\$ 27,072	4.81%			
Net Operating Profit/(Loss)	\$ 346,976	\$ (1,533)	\$ (348,509)	-100.44%			
Non-Operating Revenues:							
Assessments	\$ 416,668	\$ -	\$ (416,668)	-100.00%			
DWR Fixed Charge Recovery	-	-	-				
Interest	183	20,326	20,143	10985.23%			
Capital Improvement Fees	-	-	-				
State Grants	-	-	-				
Other	9,639	16,343	6,704	69.55%			
Total Non-Operating Revenues	\$ 426,490	\$ 36,669	\$ (389,821)	-91.40%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 208,555	\$ 201,283	\$ (7,272)	-3.49%			
Amortization of SWP	128,945	144,745	15,800	12.25%			
Water Conservation Programs	4,847	7,715	2,867	59.15%			
Total Non-Operating Expenses	\$ 342,347	\$ 353,743	\$ 11,396	3.33%			
Net Earnings	\$ 431,119	\$ (318,607)	\$ (749,726)	-173.90%			

YEAR-TO-YEAR COMPARISON

September '12 -To- September '13



	2012	2013	Change	
Units Billed (AF)	2,250	2,296	46	2.02%
Active Connections	26,367	26,345	-22	-0.08%
Non-Active	1,275	1,008	-267	-20.94%
Total Revenue per Unit	\$2.45	\$2.48	\$0.03	1.22%
Total Revenue per Connection	\$91.05	\$94.11	\$3.06	3.36%
Units Billed per Connection	37.18	37.96	1	2.11%

Palmdale Water District

Revenue Analysis

For the Nine Months Ending 9/30/2013

2013

2012 to 2013 Comparison

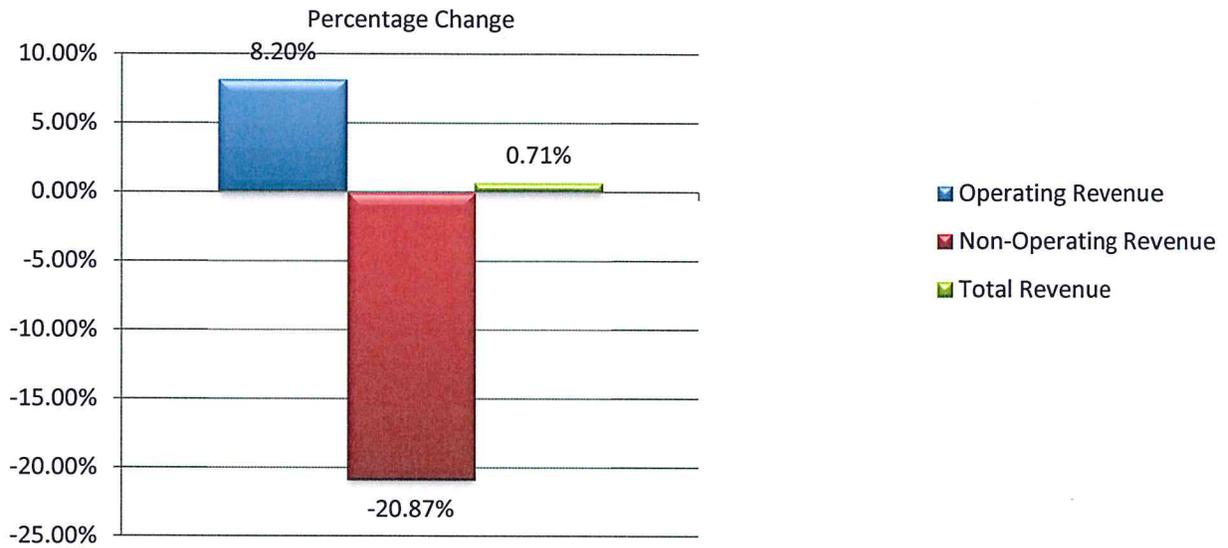
	2013			2012			2012 to 2013 Comparison			
	Thru August	September	Year-to-Date	Thru August	September	Year-to-Date	Thru August	September	Year-to-Date	% Change
Operating Revenue:										
Wholesale Water	\$ 89,071	\$ 45,447	\$ 134,519	\$ 175,000	\$ 175,000	\$ 175,000	\$ 89,071	45,447	134,519	76.87%
Water Sales	5,544,885	1,116,813	6,661,698	8,198,000	8,198,000	8,198,000	466,583	(27,846)	438,737	81.26%
Meter Fees	7,362,528	923,012	8,285,541	11,232,000	11,232,000	11,232,000	466,488	55,666	522,154	73.77%
Water Quality Fees	1,058,585	199,141	1,257,726	1,638,000	1,638,000	1,638,000	5,829	3,226	9,056	76.78%
Elevation Fees	351,222	69,805	421,027	550,000	550,000	550,000	(9,041)	(358)	(9,399)	76.55%
Other	1,192,114	125,016	1,317,130	1,250,000	1,250,000	1,250,000	272,008	2,368	274,376	105.37%
Total Water Sales	\$ 15,598,405	\$ 2,479,235	\$ 18,077,641	\$ 23,043,000	\$ 23,043,000	\$ 23,043,000	\$ 1,290,938	\$ 78,504	\$ 1,369,443	78.45%
Non-Operating Revenues:										
Assessments (Debt Service)	\$ 3,047,176	-	\$ 3,047,176	\$ 4,300,000	\$ 4,300,000	\$ 4,300,000	\$ 421,814	\$ (309,643)	\$ 112,171	70.86%
Assessments (1%)	1,275,992	-	1,275,992	2,775,992	2,775,992	2,775,992	368,560	(107,025)	261,535	45.97%
DWR Fixed Charge Recovery	94,799	-	94,799	100,000	100,000	100,000	(341,119)	-	(341,119)	94.80%
Interest	(28,028)	20,326	(7,702)	25,000	25,000	25,000	(51,527)	20,143	(31,385)	-30.81%
Capital Improvement Fees	(1,981)	-	(1,981)	150,000	150,000	150,000	(1,257,408)	-	(1,257,408)	-1.32%
State Grants	-	-	-	485,000	485,000	485,000	-	-	-	0.00%
Other	161,500	16,343	177,843	150,000	150,000	150,000	39,806	6,704	46,509	118.56%
Total Non-Operating Revenues	\$ 4,549,459	\$ 36,669	\$ 4,586,127	\$ 7,985,992	\$ 7,985,992	\$ 7,985,992	\$ (819,874)	\$ (389,821)	\$ (1,209,696)	57.43%
Total Revenue	\$ 20,147,864	\$ 2,515,904	\$ 22,663,768	\$ 31,028,992	\$ 31,028,992	\$ 31,028,992	\$ 471,064	\$ (311,317)	\$ 159,747	73.04%

2012

	2012			2012			2012 to 2013 Comparison			
	Thru August	September	Year-to-Date	Thru August	September	Year-to-Date	Thru August	September	Year-to-Date	% of Budget
Operating Revenue:										
Wholesale Water	\$ -	\$ -	\$ -	\$ 175,000	\$ 175,000	\$ 175,000	\$ -	\$ -	\$ -	0.00%
Water Sales	5,078,302	1,144,659	6,222,961	8,145,000	8,145,000	8,145,000	5,078,302	1,144,659	6,222,961	76.40%
Meter Fees	6,896,040	867,347	7,763,387	10,400,000	10,400,000	10,400,000	6,896,040	867,347	7,763,387	74.65%
Water Quality Fees	1,052,756	195,914	1,248,670	1,550,000	1,550,000	1,550,000	1,052,756	195,914	1,248,670	80.56%
Elevation Fees	360,263	70,163	430,426	525,000	525,000	525,000	360,263	70,163	430,426	81.99%
Other	920,106	122,648	1,042,754	1,250,000	1,250,000	1,250,000	920,106	122,648	1,042,754	83.42%
Total Water Sales	\$ 14,307,467	\$ 2,400,731	\$ 16,708,198	\$ 21,870,000	\$ 21,870,000	\$ 21,870,000	\$ 14,307,467	\$ 2,400,731	\$ 16,708,198	76.40%
Non-Operating Revenues:										
Assessments (Debt Service)	\$ 2,625,362	\$ 309,643	\$ 2,935,005	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 2,625,362	\$ 309,643	\$ 2,935,005	73.38%
Assessments (1%)	907,432	107,025	1,014,457	1,500,000	1,500,000	1,500,000	907,432	107,025	1,014,457	67.63%
DWR Fixed Charge Recovery	435,918	-	435,918	-	-	-	435,918	-	435,918	-
Interest	23,499	183	23,682	60,000	60,000	60,000	23,499	183	23,682	39.47%
Capital Improvement Fees	1,255,427	-	1,255,427	1,286,848	1,286,848	1,286,848	1,255,427	-	1,255,427	97.56%
State Grants	-	-	-	250,000	250,000	250,000	-	-	-	0.00%
Other	121,695	9,639	131,334	100,000	100,000	100,000	121,695	9,639	131,334	131.33%
Total Non-Operating Revenues	\$ 5,369,333	\$ 426,490	\$ 5,795,823	\$ 7,196,848	\$ 7,196,848	\$ 7,196,848	\$ 5,369,333	\$ 426,490	\$ 5,795,823	80.53%
Total Revenue	\$ 19,676,800	\$ 2,827,221	\$ 22,504,021	\$ 29,066,848	\$ 29,066,848	\$ 29,066,848	\$ 19,676,800	\$ 2,827,221	\$ 22,504,021	77.42%

REVENUE COMPARISON YEAR-TO-DATE

September '12-To-September '13



Palmdale Water District

Operating Expense Analysis

For the Nine Months Ending 9/30/2013

2013

2012 to 2013 Comparison

	Thru August	September	Year-to-Date	Adjusted Budget	% of Budget	Thru August	September	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 66,117	\$ 10,377	\$ 76,494	\$ 117,500	65.10%	\$ (7,956)	\$ 1,118	\$ (6,838)	-8.21%
Administration	1,509,092	143,711	1,652,803	2,602,000	63.52%	(333,697)	30,064	(303,633)	-15.52%
Engineering	844,916	105,027	949,942	1,215,750	78.14%	75,984	12,600	88,585	10.28%
Facilities	1,961,017	232,301	2,193,318	3,298,500	66.49%	(224,189)	(26,985)	(251,175)	-10.28%
Operations	3,415,180	498,348	3,913,528	4,944,250	79.15%	287,969	90,118	378,087	10.69%
Finance	1,823,871	299,246	2,123,117	2,789,000	76.12%	(75,708)	46,269	(29,439)	-1.37%
Water Conservation	152,220	20,738	172,958	239,750	72.14%	5,182	2,715	7,898	4.78%
Human Resources	109,164	8,599	117,763	209,600	56.18%	(70,292)	4,220	(66,072)	-35.94%
Information Technology	421,068	42,683	463,751	728,000	63.70%	5,837	(3,685)	2,152	0.47%
Water Purchases	1,922,764	74,873	1,997,637	2,600,000	76.83%	(480,453)	19,000	(461,453)	-18.77%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	-	436,485	-	436,485	
Water Recovery	(535,297)	-	(535,297)	(100,000)	535.30%	(416,508)	-	(416,508)	350.63%
Capitalized Expenditures	615,199	19,372	634,571	836,500	75.86%	128,524	6,803	135,327	27.11%
GAC Filter Media Replacement	653,896	435,697	1,089,593	1,638,000	66.52%	3,568	217,705	221,273	25.48%
Total Cash Operating Expenses	\$ 13,395,692	\$ 1,890,971	\$ 15,286,663	\$ 21,118,850	72.38%	\$ (665,253)	\$ 399,942	\$ (265,311)	-1.74%
Non-Cash Operating Expenses:									
Depreciation	\$ 5,237,478	\$ 577,874	\$ 5,815,352	\$ 7,250,000	80.21%	\$ 594,907	\$ 12,287	\$ 607,194	11.66%
OPEB Accrual Expense	1,321,781	165,223	1,487,004	3,487,004	42.64%	(20,532)	17,545	(2,987)	-0.20%
Bad Debts	5,426	155	5,581	105,581	5.29%	1,818	209	2,027	57.03%
Service Costs Construction	90,140	3,188	93,328	218,328	42.75%	26,103	51,461	77,563	492.02%
Capitalized Construction	(737,698)	(156,643)	(894,341)	(1,894,341)	47.21%	(74,536)	(54,430)	(128,966)	16.85%
Total Non-Cash Operating Expenses	\$ 5,917,126	\$ 589,797	\$ 6,506,923	\$ 9,166,572	70.99%	\$ 527,760	\$ 27,072	\$ 554,832	8.53%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 1,250,216	\$ 201,283	\$ 1,451,499	\$ 2,111,000	68.76%	\$ (418,223)	\$ (7,272)	\$ (425,495)	-22.67%
Amortization of SWP	1,155,344	144,745	1,300,089	1,679,000	77.43%	123,784	15,800	139,584	12.03%
Water Conservation Programs	85,604	7,715	93,318	150,000	62.21%	47,437	2,867	50,304	1.63%
Total Non-Operating Expenses	\$ 2,491,164	\$ 353,743	\$ 2,844,906	\$ 3,940,000	72.21%	\$ (247,002)	\$ 11,396	\$ (235,607)	-7.65%
Total Expenses	\$ 21,803,981	\$ 2,834,511	\$ 24,638,493	\$ 34,225,422	71.99%	\$ (384,495)	\$ 438,409	\$ 53,914	0.22%

Palmdale Water District

Operating Expense Analysis

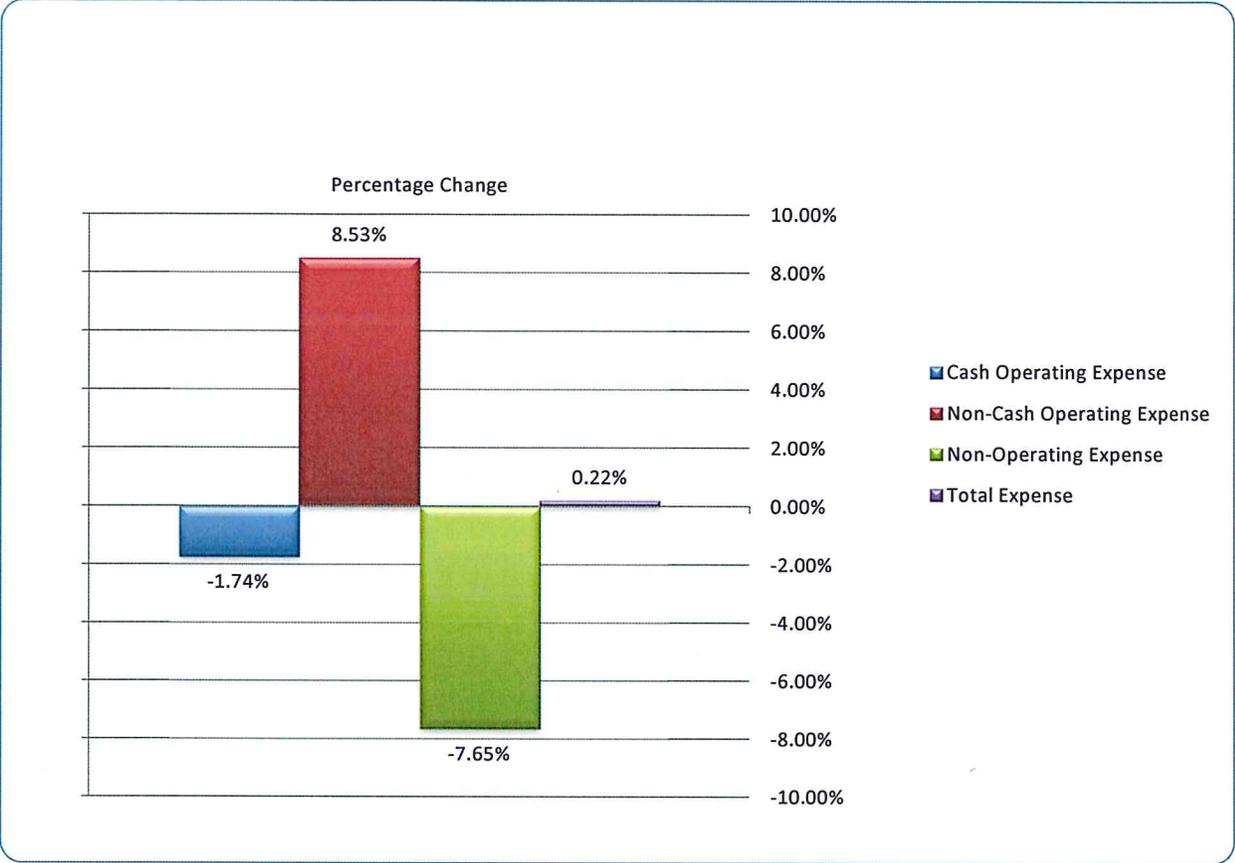
For the Nine Months Ending 9/30/2013

2012 to 2013 Comparison

	Thru			Adjusted Budget	% of Budget
	August	September	Year-to-Date		
Cash Operating Expenses:					
Directors	\$ 74,073	\$ 9,259	\$ 83,331	\$ 154,000	54.11%
Administration	1,842,789	113,647	1,956,436	3,547,000	55.16%
Engineering	768,931	92,426	861,357	1,169,000	73.68%
Facilities	2,185,206	259,287	2,444,493	3,490,500	70.03%
Operations	3,127,211	408,230	3,535,441	5,113,750	69.14%
Finance	1,899,579	252,977	2,152,556	2,788,750	77.19%
Water Conservation	147,038	18,022	165,060	223,500	73.85%
Human Resources	179,455	4,379	183,835	267,850	68.63%
Information Technology	415,231	46,368	461,600	736,750	62.65%
Water Purchases	2,403,217	55,873	2,459,090	2,800,000	87.82%
Water Purchases-Prior Year OAP	-	-	-	-	-
Water Recovery	(118,789)	-	(118,789)	(200,000)	59.39%
Capitalized Expenditures	486,675	12,569	499,244	412,500	121.03%
GAC Filter Media Replacement	650,328	217,991	868,320	1,550,000	56.02%
Total Cash Operating Expenses	\$ 14,060,945	\$ 1,491,029	\$ 15,551,974	\$ 22,053,600	70.52%
Non-Cash Operating Expenses:					
Depreciation	\$ 4,642,570	\$ 565,587	\$ 5,208,157	\$ 7,800,000	66.77%
OPEB Accrual Expense	1,342,313	147,678	1,489,991	2,000,000	74.50%
Bad Debts	3,608	(54)	3,554	100,000	3.55%
Service Costs Construction	64,037	(48,273)	15,764	125,000	12.61%
Capitalized Construction	(663,162)	(102,213)	(765,375)	(1,000,000)	76.54%
Total Non-Cash Operating Expenses	\$ 5,389,366	\$ 562,725	\$ 5,952,092	\$ 9,025,000	65.95%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 1,668,439	\$ 208,555	\$ 1,876,993	\$ 2,490,000	75.38%
Amortization of SWP	1,031,560	128,945	1,160,505	1,680,000	69.08%
Capital Lease	-	-	-	212,000	-
Water Conservation Programs	38,167	4,847	43,014	150,000	28.68%
Total Non-Operating Expenses	\$ 2,738,166	\$ 342,347	\$ 3,080,513	\$ 4,532,000	67.97%
Total Expenses	\$ 22,188,477	\$ 2,396,102	\$ 24,584,579	\$ 35,610,600	69.04%

EXPENSE COMPARISON YEAR-TO-DATE

September '12-To-September '13



Palmdale Water District
2013 Directors Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 37,350	\$ 45,000	\$ -	\$ 7,650	83.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	2,857	5,500		2,643	51.95%
1-01-4010-000 Health Insurance	34,569	57,000		22,431	60.65%
Subtotal (Benefits)	37,426	62,500	-	22,431	59.88%
 Total Personnel Expenses	 \$ 74,776	 \$ 107,500	 \$ -	 \$ 30,081	 69.56%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	1,717	10,000		8,283	17.17%
Subtotal Operating Expenses	1,717	10,000	-	8,283	17.17%
 Total O & M Expenses	 \$ 76,494	 \$ 117,500	 \$ -	 \$ 38,364	 65.10%

Palmdale Water District
2013 Administration Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 362,765	\$ 471,500		\$ 108,735	76.94%
1-02-4000-100 Overtime	5,911	5,000		(911)	118.22%
1-02-4000-200 On-Call	42,955	60,000		17,045	71.59%
Subtotal (Salaries)	\$ 411,631	\$ 536,500		\$ 124,869	76.73%
Employee Benefits					
1-02-4005-000 Payroll Taxes	26,815	41,000		14,185	65.40%
1-02-4010-000 Health Insurance	60,420	80,750		20,330	74.82%
1-02-4015-000 PERS	69,292	90,750		21,458	76.36%
1-02-4020-000 Worker's Compensation	53,832	160,000		106,168	33.65%
1-02-4025-000 Vacation Benefit Expense	43,948	35,000		(8,948)	125.57%
1-02-4030-000 Life Insurance	5,779	7,500		1,721	77.05%
Subtotal (Benefits)	\$ 260,086	\$ 415,000	\$ -	\$ 154,914	62.67%
Total Personnel Expenses	\$ 671,717	\$ 951,500	\$ -	\$ 279,783	70.60%

OPERATING EXPENSES:

1-02-4050-000 Staff Travel	\$ 5,711	\$ 8,000		\$ 2,289	71.39%
1-02-4050-100 General Manager Travel	4,160	5,000		840	83.21%
1-02-4060-000 Staff Conferences & Seminars	1,150	3,000		1,850	38.33%
1-02-4060-100 General Manager Conferences & Seminars	2,575	4,500		1,925	57.22%
1-02-4070-000 Employee Expense	18,674	40,000		21,326	46.69%
1-02-4080-000 Other Operating	15,197	20,000		4,803	75.99%
1-02-4110-000 Consultants	36,334	134,000		97,666	27.12%
1-02-4125-000 Insurance	188,794	325,000		136,206	58.09%
1-02-4130-000 Bank Charges	87,316	130,000		42,684	67.17%
1-02-4135-000 Groundwater Adjudication	194,026	400,000		205,974	48.51%
1-02-4140-000 Legal Services	104,134	250,000		145,866	41.65%
1-02-4150-000 Accounting Services	21,089	20,000		(1,089)	105.45%
1-02-4155-000 Contracted Services	21,929	40,000		18,071	54.82%
1-02-4165-000 Memberships/Subscriptions	172,615	110,000		(62,615)	156.92%
1-02-4175-000 Permits	7,483	20,000		12,517	37.42%
1-02-4180-000 Postage	14,128	30,000		15,872	47.09%
1-02-4190-100 Public Relations - Publications	33,351	30,000		(3,351)	111.17%
1-02-4190-900 Public Relations - Other	706	1,000		294	70.60%
1-02-4200-000 Advertising	1,698	5,000		3,302	33.96%
1-02-4205-000 Office Supplies	11,000	20,000		9,000	55.00%
1-02-4215-200 Natural Gas - Office Building	1,967	5,000		3,033	39.34%
1-02-4220-200 Electricity - Office Building	37,046	50,000		12,954	74.09%
Subtotal Operating Expenses	\$ 981,085	\$ 1,650,500	\$ -	\$ 669,415	59.44%
Total Departmental Expenses	\$ 1,652,803	\$ 2,602,000	\$ -	\$ 949,197	63.52%

Palmdale Water District
2013 Engineering Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 582,379	\$ 749,000		\$ 166,621	77.75%
1-03-4000-100 Overtime	3,634	6,000		2,366	60.57%
Subtotal (Salaries)	<u>\$ 586,013</u>	<u>\$ 755,000</u>		<u>\$ 168,987</u>	<u>77.62%</u>
Employee Benefits					
1-03-4005-000 Payroll Taxes	47,203	58,000		10,797	81.38%
1-03-4010-000 Health Insurance	123,942	165,500		41,558	74.89%
1-03-4015-000 PERS	111,981	143,250		31,269	78.17%
Subtotal (Benefits)	<u>\$ 283,125</u>	<u>\$ 366,750</u>	<u>\$ -</u>	<u>\$ 83,625</u>	<u>77.20%</u>
Total Personnel Expenses	<u><u>\$ 869,138</u></u>	<u><u>\$ 1,121,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 252,612</u></u>	<u><u>77.48%</u></u>
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 3,742	\$ 3,000		\$ (742)	124.73%
1-03-4060-000 Staff Conferences & Seminars	1,460	2,500		1,040	58.40%
1-03-4155-000 Contracted Services	8,260	12,000		3,740	68.83%
1-03-4165-000 Memberships/Subscriptions	1,073	2,000		927	53.67%
1-03-4250-000 General Materials & Supplies	4,897	2,500		(2,397)	195.89%
1-03-8100-100 Computer Software - Maint. & Support	61,371	72,000		10,629	85.24%
Subtotal Operating Expenses	<u>\$ 80,804</u>	<u>\$ 94,000</u>	<u>\$ -</u>	<u>\$ 13,196</u>	<u>85.96%</u>
Total Departmental Expenses	<u><u>\$ 949,942</u></u>	<u><u>\$ 1,215,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 265,808</u></u>	<u><u>78.14%</u></u>

**Palmdale Water District
2013 Facilities Budget
For the Nine Months Ending Monday, September 30, 2013**

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 939,899	\$ 1,339,000		\$ 399,101	70.19%
1-04-4000-100 Overtime	41,676	40,000		(1,676)	104.19%
Subtotal (Salaries)	\$ 981,575	\$ 1,379,000		\$ 397,425	71.18%
Employee Benefits					
1-04-4005-000 Payroll Taxes	81,308	105,000		23,692	77.44%
1-04-4010-000 Health Insurance	294,593	384,000		89,407	76.72%
1-04-4015-000 PERS	179,295	254,500		75,205	70.45%
Subtotal (Benefits)	\$ 555,196	\$ 743,500	\$ -	\$ 188,305	74.67%
Total Personnel Expenses	\$ 1,536,770	\$ 2,122,500	\$ -	\$ 587,405	72.40%
OPERATING EXPENSES:					
1-04-4050-000 Staff Travel	\$ 731	\$ 2,500		1,769	29.23%
1-04-4060-000 Staff Conferences & Seminars	2,225	3,000		775	74.17%
1-04-4155-000 Contracted Services	57,950	28,500		(29,450)	203.33%
1-04-4175-000 Permits-Dams	38,842	-		(38,842)	
1-04-4215-200 Natural Gas - Buildings	1,429	4,500		3,071	31.76%
1-04-4220-200 Electricity - Buildings	15,644	30,000		14,356	52.15%
1-04-4225-000 Maint. & Repair - Vehicles	18,721	45,000		26,279	41.60%
1-04-4230-100 Maint. & Rep. Office Building	3,624	18,000		14,376	20.13%
1-04-4235-110 Maint. & Rep. Equipment	6,422	7,500		1,078	85.62%
1-04-4235-400 Maint. & Rep. Operations - Wells	34,351	150,000		115,649	22.90%
1-04-4235-405 Maint. & Rep. Operations - Boosters	50,511	50,000		(511)	101.02%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	8,084	10,000		1,916	80.84%
1-04-4235-415 Maint. & Rep. Operations - Facilities	15,720	15,000		(720)	104.80%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	167,629	350,000		182,371	47.89%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	-	20,000		20,000	0.00%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	-	26,500		26,500	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	230	3,000		2,770	7.66%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	21,269	35,000		13,731	60.77%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-6000-000 Waste Disposal	18,600	40,000		21,400	46.50%
1-04-6100-100 Fuel and Lube - Vehicle	87,140	130,000		42,860	67.03%
1-04-6100-200 Fuel and Lube - Machinery	19,830	43,000		23,170	46.12%
1-04-6200-000 Uniforms	16,162	20,000		3,838	80.81%
1-04-6300-100 Supplies - Misc.	28,618	47,500		18,882	60.25%
1-04-6300-800 Supplies - Construction Materials	25,236	65,000		39,764	38.82%
1-04-6400-000 Tools	8,403	12,000		3,597	70.03%
1-04-7000-100 Leases -Equipment	9,179	15,000		5,821	61.19%
Subtotal Operating Expenses	\$ 656,548	\$ 1,176,000	\$ -	\$ 519,452	55.83%
Total Departmental Expenses	\$ 2,193,318	\$ 3,298,500	\$ -	\$ 1,106,858	66.49%

Palmdale Water District
2013 Operation Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 1,146,566	\$ 1,608,500		\$ 461,934	71.28%
1-05-4000-100 Overtime	67,944	61,500		(6,444)	110.48%
Subtotal (Salaries)	<u>\$ 1,214,510</u>	<u>\$ 1,670,000</u>		<u>\$ 455,490</u>	<u>72.73%</u>
Employee Benefits					
1-05-4005-000 Payroll Taxes	97,927	128,000		30,073	76.51%
1-05-4010-000 Health Insurance	265,673	378,500		112,827	70.19%
1-05-4015-000 PERS	216,616	307,000		90,384	70.56%
Subtotal (Benefits)	<u>\$ 580,216</u>	<u>\$ 813,500</u>	<u>\$ -</u>	<u>\$ 233,284</u>	<u>71.32%</u>
Total Personnel Expenses	<u><u>\$ 1,794,725</u></u>	<u><u>\$ 2,483,500</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 695,219</u></u>	<u><u>72.27%</u></u>
OPERATING EXPENSES:					
1-05-4050-000 Staff Travel	\$ 3,418	\$ 8,000		\$ 4,582	42.73%
1-05-4060-000 Staff Conferences & Seminars	3,237	9,500		6,263	34.07%
1-05-4120-100 Training - Lab Equipment	-	4,500		4,500	0.00%
1-05-4120-200 Training - SCADA Network	-	9,000			
1-05-4155-000 Contracted Services	117,174	59,000		(58,174)	198.60%
1-05-4175-000 Permits	33,399	45,000		11,601	74.22%
1-05-4215-100 Natural Gas - Wells & Boosters	107,752	160,000		52,248	67.34%
1-05-4215-200 Natural Gas - WTP	2,116	3,000		884	70.53%
1-05-4220-100 Electricity - Wells & Boosters	1,147,228	1,285,000		137,772	89.28%
1-05-4220-200 Electricity - WTP	71,004	125,000		53,996	56.80%
1-05-4230-110 Maint. & Rep. - Office Equipment	147	500		353	29.49%
1-05-4235-110 Maint. & Rep. Operations - Equipment	9,128	15,000		5,872	60.86%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	14,295	6,000		(8,295)	238.25%
1-05-4235-415 Maint. & Rep. Operations - Facilities	39,394	38,000		(1,394)	103.67%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	3,809	2,250		(1,559)	169.27%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	21,715	10,000		(11,715)	217.15%
1-05-4236-000 Palmdale Lake Management	9,894	15,000		5,106	65.96%
1-05-4270-300 Telecommunication - Other	2,070	2,750		680	75.29%
1-05-4300-300 Testing - Edison	5,385	9,000		3,615	59.83%
1-05-6000-000 Waste Disposal	2,625	22,000		19,375	11.93%
1-05-6200-000 Uniforms	8,866	10,000		1,134	88.66%
1-05-6300-100 Supplies - Misc.	8,692	15,000		6,308	57.95%
1-05-6300-200 Supplies - Hypo Generator	3,750	6,750		3,000	55.56%
1-05-6300-300 Supplies - Electrical	629	3,500		2,871	17.97%
1-05-6300-400 Supplies - Telemetry	1,300	7,500		6,200	17.33%
1-05-6300-600 Supplies - Lab	29,365	35,000		5,635	83.90%
1-05-6300-700 Outside Lab Work	93,578	60,000		(33,578)	155.96%
1-05-6400-000 Tools	3,205	6,500		3,295	49.31%
1-05-6500-000 Chemicals	375,417	485,000		109,583	77.41%
1-05-7000-100 Leases -Equipment	209	3,000		2,791	6.98%
Subtotal Operating Expenses	<u>\$ 2,118,803</u>	<u>\$ 2,460,750</u>	<u>\$ -</u>	<u>\$ 332,947</u>	<u>86.10%</u>
Total Departmental Expenses	<u><u>\$ 3,913,528</u></u>	<u><u>\$ 4,944,250</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,028,166</u></u>	<u><u>79.15%</u></u>

Palmdale Water District
2013 Finance Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries*	\$ 1,098,482	\$ 1,482,000	\$ (24,300)	\$ 383,518	74.12%
1-06-4000-100 Overtime	24,745	20,000		(4,745)	123.73%
Subtotal (Salaries)	<u>\$ 1,123,228</u>	<u>\$ 1,502,000</u>	<u>\$ (24,300)</u>	<u>\$ 378,772</u>	<u>74.78%</u>
Employee Benefits					
1-06-4005-000 Payroll Taxes	92,509	115,000.00		291,241	24.11%
1-06-4010-000 Health Insurance	257,934	383,750		24,566	91.30%
1-06-4015-000 PERS	216,401	282,500		564,849	27.70%
Subtotal (Benefits)	<u>\$ 566,845</u>	<u>\$ 781,250</u>	<u>\$ -</u>	<u>\$ 880,655</u>	<u>72.56%</u>
Total Personnel Expenses	<u><u>\$ 1,690,073</u></u>	<u><u>\$ 2,283,250</u></u>	<u><u>\$ (24,300)</u></u>	<u><u>\$ 1,259,427</u></u>	<u><u>74.02%</u></u>
OPERATING EXPENSES:					
1-06-4050-000 Staff Travel	\$ 212	\$ 250		38	84.71%
1-06-4060-000 Staff Conferences & Seminars	575	1,000		425	57.48%
1-06-4155-300 Contracted Services	5,538	24,500		18,962	22.61%
1-06-4155-100 Contracted Services - Infosend	137,885	205,000		67,115	67.26%
1-06-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	1,000		1,000	0.00%
1-06-4235-440 Maint. & Rep. Operations - Large Meters	5,859	10,000		4,141	58.59%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	240,217	175,000		(65,217)	137.27%
1-06-4250-000 General Material & Supplies	5,361	4,000		(1,361)	134.03%
1-06-4260-000 Business Forms	8,646	10,000		1,354	86.46%
1-06-4270-100 Telecommunication - Office	7,770	30,000		22,230	25.90%
1-06-4270-200 Telecommunication - Cellular Stipend	10,710	17,000		6,290	63.00%
1-06-4270-300 Telecommunication - Cellular	213	3,000		2,787	7.11%
1-06-4300-200 Testing - Large Meter Testing	8,155	21,500		13,345	37.93%
1-06-7000-100 Leases - Equipment	1,903	3,000		1,097	63.43%
Subtotal Operating Expenses	<u>\$ 433,044</u>	<u>\$ 505,750</u>	<u>\$ -</u>	<u>\$ 72,706</u>	<u>85.62%</u>
Total Departmental Expenses	<u><u>\$ 2,123,117</u></u>	<u><u>\$ 2,789,000</u></u>	<u><u>\$ (24,300)</u></u>	<u><u>\$ 1,332,133</u></u>	<u><u>76.79%</u></u>

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2013 Water Conservation Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 114,319	\$ 153,000		\$ 38,681	74.72%
1-07-4000-100 Overtime	926	1,000		74	92.63%
Subtotal (Salaries)	<u>\$ 115,246</u>	<u>\$ 154,000</u>		<u>\$ 38,754</u>	<u>74.83%</u>
Employee Benefits					
1-07-4005-000 Payroll Taxes	9,267	11,750		2,483	78.86%
1-07-4010-000 Health Insurance	19,605	22,750		3,145	86.18%
1-07-4015-000 PERS	22,918	29,250		6,332	78.35%
Subtotal (Benefits)	<u>\$ 51,790</u>	<u>\$ 63,750</u>	<u>\$ -</u>	<u>\$ 11,960</u>	<u>81.24%</u>
Total Personnel Expenses	<u><u>\$ 167,035</u></u>	<u><u>\$ 217,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,641</u></u>	<u><u>76.71%</u></u>
OPERATING EXPENSES:					
1-07-4050-000 Staff Travel	\$ -	\$ 1,000		\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	638	1,000		362	63.80%
1-07-4190-300 Public Relations - Landscape Workshop/Training	243	1,000		757	24.29%
1-07-4190-400 Public Relations - Contests	709	1,000		291	70.86%
1-07-4190-500 Public Relations - Education Programs	906	5,000		4,094	18.13%
1-07-4190-700 Public Relations -General Media	1,535	3,000		1,465	51.17%
1-07-4190-900 Public Relations - Other	180	5,000		4,820	3.60%
1-07-6300-100 Supplies - Misc.	1,712	5,000		3,288	34.23%
Subtotal Operating Expenses	<u>\$ 5,922</u>	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ 16,078</u>	<u>26.92%</u>
Total Departmental Expenses	<u><u>\$ 172,958</u></u>	<u><u>\$ 239,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 66,719</u></u>	<u><u>72.14%</u></u>

Palmdale Water District
2013 Human Resources Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 60,416	\$ 84,000		\$ 23,584	71.92%
Employee Benefits					
1-08-4005-000 Payroll Taxes	4,622	6,500		1,878	71.11%
1-08-4010-000 Health Insurance	-	18,000		18,000	0.00%
1-08-4015-000 PERS	-	16,000		16,000	0.00%
Subtotal (Benefits)	\$ 4,622	\$ 40,500	\$ -	\$ 35,878	11.41%
Total Personnel Expenses	\$ 65,037	\$ 124,500	\$ -	\$ 59,463	52.24%

OPERATING EXPENSES:

1-08-4050-000 Staff Travel	\$ -	\$ 500		\$ 500	0.00%
1-08-4060-000 Staff Conferences & Seminars	-	500		500	0.00%
1-08-4090-000 Temporary Staffing*	38,980	-	24,300	(14,680)	
1-08-4095-000 Employee Recruitment	2,225	3,000		775	74.17%
1-08-4100-000 Employee Retention	1,385	1,500		115	92.35%
1-08-4105-000 Employee Relations	3,276	3,500		224	93.61%
1-08-4110-000 Consultants	-	1,000		1,000	0.00%
1-08-4120-100 Training-Safety Consultants	2,638	38,000		35,362	6.94%
1-08-4121-000 Safety Program	-	1,000		1,000	0.00%
1-08-4165-000 Membership/Subscriptions	449	1,600		1,151	28.06%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	3,772	33,500		29,728	11.26%
Subtotal Operating Expenses	\$ 52,725	\$ 85,100	\$ 24,300	\$ 56,675	48.20%
Total Departmental Expenses	\$ 117,763	\$ 209,600	\$ 24,300	\$ 116,137	50.35%

* Budget adjustments by General Manager per Appendix A

Palmdale Water District
2013 Information Technology Budget
For the Nine Months Ending Monday, September 30, 2013

	YTD ACTUAL 2013	ORIGINAL BUDGET 2013	ADJUSTMENTS 2013	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 156,266	\$ 204,000		\$ 47,734	76.60%
1-09-4000-100 Overtime	1,660	2,500		840	66.41%
Subtotal (Salaries)	<u>\$ 157,926</u>	<u>\$ 206,500</u>		<u>\$ 48,574</u>	<u>76.48%</u>
Employee Benefits					
1-09-4005-000 Payroll Taxes	12,771	16,000		3,229	79.82%
1-09-4010-000 Health Insurance	31,218	41,250		10,032	75.68%
1-09-4015-000 PERS	30,564	39,250		8,686	77.87%
Subtotal (Benefits)	<u>\$ 74,552</u>	<u>\$ 96,500</u>	<u>\$ -</u>	<u>\$ 21,948</u>	<u>77.26%</u>
Total Personnel Expenses	<u><u>\$ 232,478</u></u>	<u><u>\$ 303,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 69,682</u></u>	<u><u>76.73%</u></u>
OPERATING EXPENSES:					
1-09-4050-000 Staff Travel	\$ 514	\$ 3,000		2,486	17.13%
1-09-4060-000 Staff Conferences & Seminars	11,402	15,000		3,598	76.01%
1-09-4155-300 Contracted Services - Computer Vendors	39,426	108,000	(55,500)	13,074	75.10%
1-09-4165-000 Memberships/Subscriptions	-	500		500	0.00%
1-09-4270-000 Telecommunications	38,881	-	55,500	16,619	70.06%
1-09-8000-100 Computer Equipment - Computers	4,719	45,000		40,281	10.49%
1-09-8000-200 Computer Equipment - Laptops	-	10,000		10,000	0.00%
1-09-8000-300 Computer Equipment - Monitors	493	2,000		1,507	24.67%
1-09-8000-400 Computer Equipment - Printers	12	2,500		2,488	0.48%
1-09-8000-500 Computer Equipment - Toner Cartridges	1,125	3,000		1,875	37.50%
1-09-8000-600 Computer Equipment - Other	7,279	35,000		27,721	20.80%
1-09-8100-100 Computer Software - Maint. and Support	24,098	70,000		45,902	34.43%
1-09-8100-140 Computer Software - Starnik	71,100	86,000		14,900	82.67%
1-09-8100-150 Computer Software - Cogsdale Maint and Support	27,489	30,000		2,511	91.63%
1-09-8100-200 Computer Software - Software and Upgrades	4,735	15,000		10,265	31.57%
Subtotal Operating Expenses	<u>\$ 231,273</u>	<u>\$ 425,000</u>	<u>\$ -</u>	<u>\$ 193,727</u>	<u>54.42%</u>
Total Departmental Expenses	<u><u>\$ 463,751</u></u>	<u><u>\$ 728,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 263,409</u></u>	<u><u>63.70%</u></u>

ENGINEERING DEPARTMENT COMMITTED CONTRACTS AND PAYOUT SCHEDULE - NOVEMBER, 2013

Project Commitment and Payout Summary

Work Order No.	Description	Contractor/Consultant/Supplier	Contractual Commitment	Payout to Date
401-13	Water Supply Fee Analysis	Carollo Engineers	\$ 23,851	\$ 23,840
600-12	3600' Hydro-Pneumatic Tank Replacement	Superior Tank Solutions	\$ 79,900	\$ 79,900
RCP04	Annual Tank Maintenance Program	Superior Tank Solutions	\$ 319,100	\$ 0
600-09	16th, 17th, 18th St. E. Water Main Replacement Project - Material Cost Only	HD Supply	\$ 113,352	\$ 113,352
401-12	Water Meter Exchange Program	Tejon Constructors	\$ 50,000	\$ 48,890

Project Payout Detail (Actual/Projected)

Work Order No.	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
401-13								\$ 14,953			\$ 8,887	
600-12								\$ 79,900				
RCP04												\$ 319,100
600-09							\$ 113,352					
401-12	\$ 21,895	\$ 11,438					\$ 15,557					
Totals:	\$ 21,895	\$ 11,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 128,909	\$ 94,853	\$ 0	\$ 0	\$ 8,887	\$ 319,100

WATER QUALITY FUND COMMITTED CONTRACTS AND PAYOUT SCHEDULE - NOVEMBER, 2013

Water Quality Fund - Commitment and Payout Summary

Project ID	Description	Contractor/Consultant/ Supplier	Contractual Commitment	Payout to Date
WQF-1	GAC Replacement @ WTP - CX Reactivated	Siemens	\$ 217,705	\$ 217,705
WQF-2	GAC Replacement @ WTP	Calgon Carbon	\$ 868,432	\$ 868,432
WQF-3	Localized GAC @ Underground Booster Station - Vessel	Prominent	\$ 88,812	\$ 0
WQF-4	Localized GAC @ Underground Booster Station - Site Improvements	BV Construction	\$ 108,969	\$ 94,042
WQF-5	Localized GAC @ Underground Booster Station - Structural Design	JT/AESI	\$ 7,000	\$ 6,075
WQF-6	Localized GAC @ Underground Booster Station - Initial GAC Supply	Siemens	\$ 38,405	\$ 0

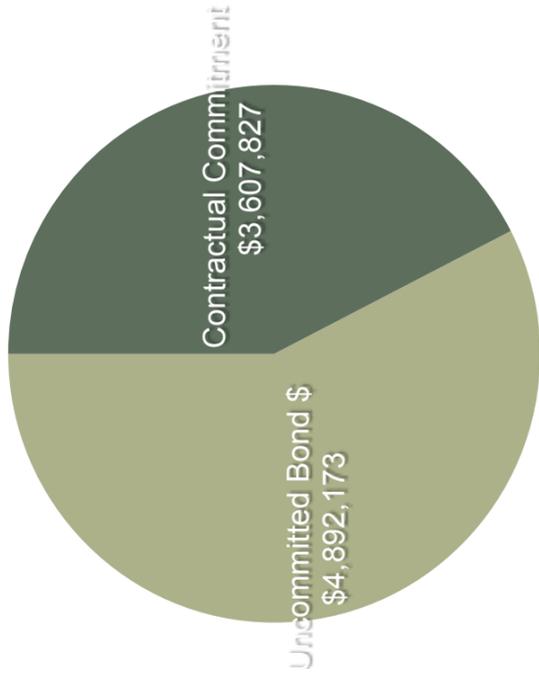
Water Quality Fund - Payout Detail (Actual/Projected)

Project ID	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
WQF-1										\$ 217,705		
WQF-2					\$ 216,776		\$ 216,828	\$ 216,828		\$ 218,000		
WQF-3											\$ 88,812	
WQF-4						\$ 46,542					\$ 47,500	\$ 14,927
WQF-5						\$ 6,075						
WQF-6											\$ 38,405	
Totals:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 216,776	\$ 52,617	\$ 216,828	\$ 216,828	\$ 0	\$ 435,705	\$ 174,717	\$ 14,927

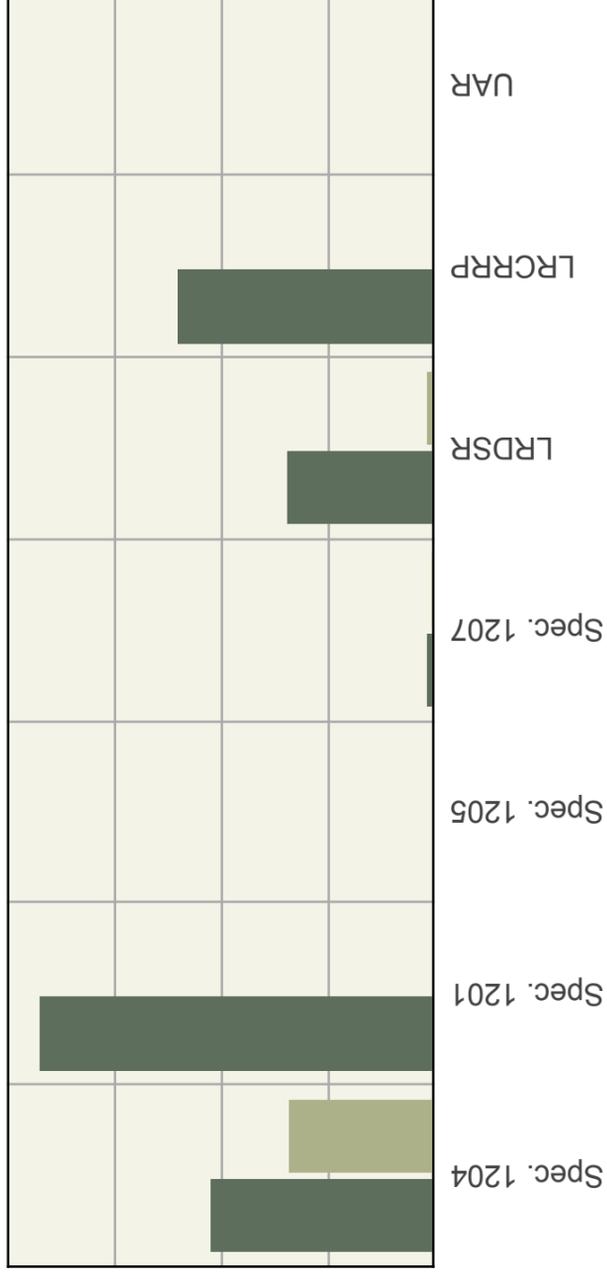
PWD WATER REVENUE BONDS - SERIES 2013A

● Contractual Commitment
 ● Uncommitted Bond \$
 ■ Contractual Commitment
 ■ Payout to Date

Allocated Bond \$ vs. Commitment



Contractual Commitment vs. Payout to Date



Project Commitment and Payout Summary

Project	Work Order No.	Description	CEQA	Allocated Bond \$	Contractual Commitment	Payout to Date	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	4/28/13	\$725,000	\$781,857	\$509,433	(\$56,857)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	5/8/13	\$1,450,000	\$1,387,042	\$0	\$62,958
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	5/8/13	\$1,200,000	\$0	\$0	\$1,200,000
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	6/16/13	\$1,400,000	\$23,510	\$9,108	\$1,376,490
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	TBD	\$975,000	\$515,925	\$26,910	\$459,075
LRCRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	TBD	\$1,500,000	\$899,493	\$0	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	11/20/12	\$1,250,000	\$0	\$0	\$1,250,000
Totals:				\$8,500,000	\$3,607,827	\$545,450	\$4,892,173

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: November 5, 2013 **November 13, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Williams, Finance Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION
ON RESERVE POLICY.*

Recommendation:

Staff and the Finance Committee recommend adoption of the revised Reserve Policy (Resolution No. 13-13).

Alternative Options:

The alternative is to leave the existing Reserve Policy in effect.

Impact of Taking No Action:

The impact of taking no action leaves the existing Reserve Policy in place.

Background:

At the request of the Finance Committee, the District's Reserve Policy has been reviewed and updated.

Strategic Plan Element:

This work is part of Strategic Element 6.0 Financial Management.

Budget:

N/A

Supporting Documents:

- Proposed Reserve Policy (Resolution No. 13-13)

RESOLUTION NO. 13-13

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors recognizes the need to ensure that the District will have sufficient funding available to meet its operating, emergency capital, and debt service obligations.

WHEREAS, the Board of Directors recognizes the need for sound financial policies as stewards of our customers' funds.

WHEREAS, the Board of Directors recognizes the need for funds to be held in reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors recognizes the need to avoid significant water rate fluctuations.

WHEREAS, the Board of Directors recognizes a need for long term strategic financial policies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 09-03) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12 to consist of fee components allocated for infrastructure and for water supply and Water Supply Connection Fees, are subject to the requirements of the Mitigation Fee Act (AB 1600). The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded.

1. Capital Improvement Fund:

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted

to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. Bond Proceeds Fund(s):

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue. Typically they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders.

3. Debt Service Reserve Funds:

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds and are to be used in the event that the District is unable to meet its required semi-annual debt service obligation. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments.

A Reserve Fund for the 2013A Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has committed to issue, simultaneously with the execution and delivery of the 2013A Bonds, a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund.

4. Rate Stabilization Fund:

This fund is governed by legal bond covenants for the District's revenue bonds. The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Water Revenue Fund for application in accordance with an Installment Purchase Agreement.

Board Designated Funds:

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self adopted funds. Such funds can be modified, transferred, or altered by Board action.

1. Dam Self Insurance:

The District shall make available \$5 million for self-insurance of the Littlerock Dam as seed money for reconstruction under the terms of the agreement between Palmdale Water District, Littlerock Creek Irrigation District and Palmdale Water District Public Facilities Corporation. The money will be used to begin the reconstruction following the event as applications for FEMA reimbursement are in process.

2. *O&M Operating Reserve:*

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. *O&M Emergency Reserve:*

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.6 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. *Unrestricted Reserves:*

Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

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

Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this 13th day of November, 2013 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: November 6, 2013 **November 13, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Jon M. Pernula, Water & Energy Resources Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION
ON THE BUTTE WATER LEASE EXTENSION CONTRACTS***

Recommendation:

Staff recommends approval of the PWD/Butte County two-way Agreement and the PWD/Butte County/Department of Water Resources (DWR) three-way Agreement for an eight year lease extension of up to 10,000 acre feet annually of Butte County's excess State Water Project (SWP) Table A water.

Background:

In order to meet both current and future demands, PWD needs one hundred percent (100.0%) of its State Water Project (SWP) Table A contract of 21,300 acre-feet on a long-term basis. In August 2010, the Department of Water Resources (DWR) issued The State Water Project Delivery Reliability Report 2009 that projected the long-term allocation of SWP Table A at sixty percent (60.0%). Based on DWR's projection, PWD needs to supplement its SWP water supplies with an additional eight thousand five hundred and twenty (8,520) acre-feet (AF) of firm water each year to offset the reduction in reliability from its SWP contract.

In 2010, PWD adopted its Strategic Water Resource Plan (SWRP) wherein the need for additional imported water supplies was expressed. Some key points contained in the SWRP regarding the Districts SWP supplies were as follows:

1. The District needs to firm up existing Table A supplies so that imported water is available at least at historical average levels (recover losses in long term reliability of the SWP).
2. The District must create and maintain options for future acquisition of imported water as opportunity and need arises.
3. The District must protect both existing supplies and future opportunities by being proactive and a leader as operation and management of the SWP system continues to evolve.

November 6, 2013

On December 14, 2011, a Letter of Intent (LOI) to negotiate the long term lease of up to 10,000 AF of surplus Table A water from Butte County was approved by the Board of Directors. Subsequent to that time, staff negotiated mutually acceptable terms and received agreement and concurrence from Butte County for an initial two year increment of a ten year lease. The two year portion of the agreement (2012-2013) was approved by the Board along with a Memorandum of Understanding (MOU) for the 8 year extension of the agreement for years 2014 through 2021. The original two year term of the agreement was executed on July 11, 2012, and the District has taken delivery of available water in both 2012 and 2013. PWD staff, along with our counterparts at Butte County, has reached agreement on terms and conditions for the eight year extension, which was approved by Butte's Board of Supervisors on 10/22/2013. PWD is now ready to ratify the contract for the remaining eight year increment of this ten year program to acquire Butte County's surplus Table A.

The two separate agreements (Butte/Palmdale and Butte/Palmdale/ DWR) are necessary and part and parcel for approval to transfer this water through the State Water Project. The transferred water will be put to direct use within the District during low allocation years and banked in ground water banks during wet years.

This water transfer lease agreement concept has been discussed and vetted through both the Water Supply and Reliability Committee and the full Board on multiple occasions.

The three way PWD/Butte/DWR agreement has not, as of the date of this memo, been received by the District. The PWD/Butte/DWR agreement is currently in review through DWR's legal department and is anticipated to be available to District staff in the near future. The agreement will be reviewed and accepted by our legal counsel and staff prior to execution.

The acquisition of this water is of great importance and value to the District and is essential in meeting our short term and long term water supply needs.

Strategic Plan Element:

The specific element of the Strategic Plan addressed is Natural Resources Management Strategic Goal 2.1 – Ensure Adequate Water Supplies for Existing and Future Customers

Budget:

Funding for this Table A lease will be through tax roles as it restores long term reliability of our State Water Project contract.

Supporting Documents:

- PWD/Butte Two-way Agreement for the eight year extension
- Butte/PWD signed 2 year lease
- Butte/PWD signed Letter of Intent 10 year program lease (LOI)

AGREEMENT BETWEEN
PALMDALE WATER DISTRICT AND COUNTY OF BUTTE
FOR LONG-TERM LEASE OF A PORTION OF THE
COUNTY'S STATE WATER PROJECT TABLE A

1. Identification. This Agreement is made and entered into as of the 23rd day of October, 2013, by and between the County of Butte, California ("Butte") and Palmdale Water District ("PWD" or "Palmdale") and is based upon the following recitals of fact. Palmdale and Butte are both State Water Project ("SWP") contractors.

2. Recitals and Definitions.
 - 2.1 PWD needs one hundred percent (100%) of the water derived from its SWP Table A amount (21,300 acre-feet) on a long-term basis. In January 2012, the Department of Water Resources ("DWR") issued The State Water Project Delivery Reliability Report 2011 that projected the long-term water delivery allocation of SWP Table A amount at sixty-one percent (61%) reliability. Based on DWR's projections, PWD needs an additional eight thousand five hundred and twenty (8,520) acre-feet of water supplies on average each year to offset the reduction in reliability from its SWP contract. PWD desires to lease a portion of Butte's Surplus Table A Amount to increase the quantity of SWP water Palmdale will receive during the Term of this Agreement.

 - 2.2 As a part of the settlement agreement by Butte in the case of Solano County Water Agency, et al. v. Department of Water Resources filed in Sacramento County Superior Court ("SCWA v. DWR"), DWR agreed to approve the lease under this Agreement subject to completion of an analysis under the California Environmental Quality Act ("CEQA") and approval of the settlement agreement by all parties to SCWA v. DWR, all of which has now occurred.

 - 2.3 Butte provides water to the Del Oro Water Company and the California Water Service Company for use within the county (collectively, "Butte's Wholesale Contractors"). Their respective water supply agreement allows each company to increase its fixed contracted water amount in five-year increments with the next five-year increments commencing January 1, 2016, January 1, 2021, January 1, 2026, and January 1, 2031.

 - 2.4 It is the expressed goal of each of the parties to maintain a long-term agreement that continues to be mutually beneficial to both parties.

 - 2.5 Definitions. As used in this Agreement, the following words and phrases shall have the following meanings:
 - 2.5.1 "Additional Water" shall have the meaning set forth in Section 4.2.3(a).

2.5.2 “Surplus Table A Amount” shall mean that portion of Butte’s twenty-seven thousand five hundred (27,500) acre-feet of SWP Table A amount, which Butte has determined to be surplus to Butte’s in-county needs during the Term of this Agreement and is available to be leased for use outside of the county, including as it may be limited by Butte’s particular settlement agreement in SCWA v. DWR. The Surplus Table A Amount shall be subject to future modification as provided in Section 4.3 of this Agreement, the addition of any Additional Water as determined in accordance with Section 4.2.3, and any other adjustment by mutual agreement of the parties.

Butte has determined that as of January 1, 2014, the Surplus Table A Amount, not including any Additional Water, is equal to twenty-four thousand (24,000) acre-feet of Butte’s Table A amount.

2.5.3 “Delta Water Charge” shall mean the sum of the per acre foot charges for the Capital Cost Component and Minimum O.M.P.&R. Component for the Delta Water Charge as shown on the applicable annual DWR Invoice for the County of Butte.

2.5.4 “DWR Agreement” shall mean that separate agreement among Palmdale, Butte, and DWR, which agreement governs the delivery of the SWP water derived from the Palmdale’s Leased Table A Amount to Palmdale.

2.5.5 “Extended Term” shall have the meaning set forth in Section 4.1.

2.5.6 “Force Majeure” shall have the meaning set forth in Section 4.8.

2.5.7 “SWP water derived from the Palmdale’s Leased Table A Amount” shall mean Palmdale’s Leased Table A Amount adjusted by the then current SWP Table A allocation and further adjusted by any losses or other water deductions to the extent authorized by Palmdale’s Water Supply Contract or by any agreement with DWR related to this Agreement.

2.5.8 “Palmdale’s Leased Table A Amount” shall mean forty-one and two-thirds percent (41.667%) of the Surplus Table A Amount without adjustment for any annual changes in SWP Table A allocations. During the Term of this Agreement, Palmdale’s Leased Table A Amount shall be adjusted as specified in Section 4.3 of this Agreement. Palmdale’s Leased Table A Amount shall also include any Additional Water pursuant to Section 4.2.3 of this Agreement.

Including Additional Water, Palmdale’s Leased Table A Amount as of January 1, 2014, shall equal ten thousand three hundred and forty-seven (10,347) acre-feet of Butte’s annual SWP Table A amount.

2.5.9. “Westside Districts” shall mean collectively Belridge Water Storage District (“BWSD”), Berrenda Mesa Water District (“BMWD”), Dudley

Ridge Water District (“DRWD”), Lost Hills Water District (“LHWD”), and Wheeler Ridge – Maricopa Water Storage District (“WRMWSD”).

3. DWR Agreement and CEQA Compliance as to this Agreement and DWR Agreement.

3.1 The transfer of the SWP water derived from Palmdale’s Leased Table A Amount is internal to the SWP and covered by current licenses and permits. This Agreement is subject to entering into the DWR Agreement.

3.2 DWR Agreement. Butte, with the assistance and cooperation of Palmdale, shall be responsible for obtaining DWR’s approval of the DWR Agreement. Butte and Palmdale shall each bear their own costs necessary to obtain such approval.

3.3 CEQA Compliance.

3.3.1 Palmdale, as lead agency for purposes of CEQA, completed an Initial Study under CEQA for both an existing two-year lease between Butte and Palmdale and the proposed long-term lease with Extended Terms under this Agreement and filed such Initial Study with the California Office of Planning and Research (the “State Clearinghouse”) on May 23, 2012 (SCH #2012051063). That Initial Study concluded that the Project would not have a significant effect on the environment. As a result, following the required public review and other proceedings, on July 11, 2012, Palmdale adopted certain findings and a Notice of Determination for the Project, which was filed with the State Clearinghouse and other appropriate agencies on or about July 17, 2012. Butte as a responsible agency concurred with Palmdale’s findings on July 31, 2012.

3.3.2 DWR is the lead agency for the CEQA review of the four settlement agreements relating to SCWA v. DWR, which also considered this Agreement’s proposed eight-year lease and the Extended Terms. DWR’s CEQA review has also been successfully completed. A Notice of Determination for the four settlement agreements was filed with the State Clearinghouse and other appropriate agencies on October 15, 2013..

4. Agreement. In consideration of the mutual promises contained in this Agreement, the parties further agree:

4.1 “Term of this Agreement” shall mean the period commencing January 1, 2014, and terminating on December 31, 2021, and including any and all Extended Terms, unless modified in accordance with this Agreement. After December 31, 2021, this Agreement shall continue for successive subsequent periods of five (5) years each (“Extended Term”) upon mutual agreement of the parties as to all relevant terms and conditions, including, but not limited to, the Section 4.4.1 Part (b) Water Rate and Water Rate Escalator and Section 4.4.1 Part (c). Commencement of any Extended Term is also subject to a determination by Butte of the quantity of Palmdale’s Leased Table A Amount available during the

Extended Term and Palmdale's written acceptance of that Extended Term quantity. Unless otherwise provided under this agreement, any notice to not commence any Extended Term shall be given in writing to the other party not later than January 1 of the year immediately preceding the commencement of the Extended Term. For example, any notice to not agree to an Extended Term commencing January 1, 2021, shall be given no later than January 1, 2020.

4.2 Lease of Table A Water.

4.2.1 Upon DWR's approval of the DWR Agreement, Butte agrees to lease to PWD Palmdale's Leased Table A Amount.

4.2.2 As between the parties, the SWP water derived from Palmdale's Leased Table A Amount shall be deemed to be delivered FOB Lake Oroville. Butte has no involvement in the actual delivery of Palmdale's Leased Table A Amount water to Palmdale pursuant to the DWR Agreement. By entering into this Agreement and the DWR Agreement, the parties agree that Butte has taken all actions required on Butte's part to ensure that the SWP water derived from Palmdale's Leased Table A Amount is delivered to Palmdale.

4.2.3 Additional Water.

(a) Butte shall determine in accordance with the following schedule when it has additional Table A water over and above the 24,000 acre-feet specified in Section 2.4.2 not needed to meet in-county water demands during the Term of this Agreement and, subject to Section 4.3, during any Extended Term ("Additional Water"):

Determination Date	For the Following Calendar Year Periods
September 20, 2015	2016 through 2020
September 20, 2020	2021 through 2025
September 20, 2025	2026 through 2030
September 20, 2030	2031 through 2035, subject to renewal or extension of State Water Contract

(b) Butte has determined that Additional Water of eight hundred thirty-two (832) acre-feet is available as of January 1, 2014, for calendar years 2014 and 2015.

(c) If Butte has Additional Water available in accordance with Subsection (a) above, Palmdale shall have the right of first refusal to lease up to and including 41.667% of such Additional Water on the same terms and conditions as set forth in this Agreement. Butte shall provide written notice to Palmdale of any Additional Water in accordance with the above schedule. Palmdale shall have thirty (30) calendar days after receipt of Butte's notice to notify Butte in writing of the percentage portion of the Additional Water it agrees to lease.

(d) Nothing in this Agreement is intended to prevent the Westside Districts and Palmdale from shifting Additional Water between themselves subject to the approval of DWR. Annual Payments to Butte shall not be adjusted or affected by any such arrangements.

4.3 Reductions in the Palmdale's Leased Table A Amount.

As described in Recital 2.3, Butte's water supply agreements with Butte's Wholesale Contractors allow each contractor to increase its contracted amount every five years. During the Term of this Agreement, each contractor can increase its contracted amount effective January 1, 2016, January 1, 2021, January 1, 2026, and January 1, 2031. The parties agree that Butte may reduce Palmdale's Leased Table A Amount due to increases in Butte's Wholesale Contractors' contracted amounts by the amount of such increases. Butte shall notify Palmdale by October 1 of the year prior to the year the reduced Palmdale's Leased Table A Amount shall take effect. Butte agrees that Palmdale's Leased Table A Amount shall not be reduced below 10,000 acre-feet through December 31, 2021.

4.4 Water Rates and Annual Payment to Butte.

4.4.1 Water Rate. The Water Rate component of the Annual Payment to Butte shall consist of the following: (a) the then-current Delta Water Charge (b) the then-current rate per acre-foot as set forth in Subsection 4.4.4, and (c) any new SWP charges allocable to Palmdale in accordance with subsection 4.9 and expressed as a rate per acre foot. The combination of (a) (b) and, if appropriate, (c) shall be referred to as the "Water Rate".

4.4.2. Annual Payment. The sum of the three Water Rate components times the applicable Palmdale's Leased Table A Amount equals the Annual Payment to Butte.

4.4.3. Part (b) Water Rate Escalator. Part (b) of the Water Rate shall be annually escalated by three and one-half percent (3.5%) for the years 2014 through 2017 and annually escalated by four percent (4.0%) for the years 2018 through 2021.

4.4.4. The following table sets forth the applicable Part (b) Water Rate per acre-foot for each year during the prior two-year lease and during the term of this Agreement:

Year	Part (b) Water Rate	Escalator
2012	\$50.00	
2013	\$51.75	3.50%
2014	\$53.56	3.50%

2015	\$55.44	3.50%
2016	\$57.38	3.50%
2017	\$59.38	3.50%
2018	\$61.76	4.00%
2019	\$64.23	4.00%
2020	\$66.80	4.00%
2021	\$69.47	4.00%

Note: Part (b) Water Rates are rounded to nearest cent.

- 4.5 The Annual Payment to Butte shall be made by Palmdale in two equal installments for each year: July 1 of the then current calendar year and January 1 of the immediately following calendar year. For example, for 2014, the first installment shall be due July 1, 2014, and the second installment shall be due January 1, 2015.
- 4.6 At all times, Butte shall be responsible for paying DWR the annual Delta Water Charge related to Butte's SWP Water Supply Contract.
- 4.7 In the event that DWR makes retroactive adjustments (credits or additional charges) to the Delta Water Charge for any calendar year, Butte shall adjust the amount of the second semi-annual installment payment due Butte so long as DWR provides notice of any such adjustment at least two months prior to the second installment payment due date. For example, if DWR provides notice of adjustment on June 1, 2016, then the adjustment shall not be made until the installment payment due January 1, 2017. For three (3) years following the termination of this Agreement, the amount of any DWR adjustment that increases Butte's Delta Water Charge during any year during the Term of this Agreement shall be paid by Palmdale to Butte and the amount of any DWR adjustment that reduces Butte's Delta Water Charges during any year during the Term of this Agreement shall be refunded to Palmdale by Butte.
- 4.8 Palmdale is obligated to pay Butte for Palmdale's Leased Table A Amount, even if the SWP water derived from Palmdale's Leased Table A Amount is not actually delivered to Palmdale. To the extent that Palmdale fails to take delivery of the full quantity of water derived from Palmdale's Leased Table A Amount because of events beyond the control of Palmdale that cause a failure in the DWR delivery system ("Force Majeure"), Palmdale shall only be required to pay for the percentage of the final SWP allocation declared by DWR that is actually delivered to or stored on behalf of Palmdale. For example, if Palmdale's Leased Table A Amount is 10,000 AF and the final SWP Table allocation for the then current year is 60% (i.e., the SWP water derived from the Palmdale's Leased Table A Amount = 6,000 AF) but a Force Majeure limits physical delivery or storage of the water to Palmdale to only 3,000 AF (i.e., delivery of 50% of the 6,000 AF allocated), then Palmdale shall be obligated to pay for 5,000 AF times the applicable Water Rate (i.e., payment for 50% of the 10,000 AF). Force Majeure shall include physical damage or destruction of conveyance facilities, natural catastrophes, or acts of a governmental authority other than any of the Parties hereto, but shall not

include inability for Palmdale to use the SWP water derived from Palmdale's Leased Table A Amount due to lack of demand, storage south of the Delta, or availability of alternate supplies.

- 4.9 In the event there is an increase in the fixed costs for operation of the State Water Project due to additional debt service obligations or other expenses imposed and Butte is obligated to pay such costs outside of the Delta Rate charge as discussed in §4.4.1 as Part (a) of the Water and §4.9.1 of this agreement; such additional costs will be borne by Palmdale in proportion to the Palmdales' Leased Table A Amount of Butte's total Table A Amount.

4.9.1 Acting reasonably and in good faith, with the goal for this lease to remain mutually beneficial to both parties and notwithstanding any other provision of this Agreement, Butte will assume the Water System Revenue Bond Surcharge as set forth each year in Table B-22 (titled 'Water System Revenue Bond Surcharge for Each Contractor') of Bulletin 132-12 through the term of this Agreement. Amounts exceeding the annual costs depicted in Table B-22 of Bulletin 132-12, shown as Exhibit A of this Agreement, shall be borne by Palmdale proportionate to the applicable Palmdale Leased Table A Amount to the total 27,500 acre-feet of Butte's Table A Amount. The Delta Water Charge and any costs that may be imposed as a result of the Bay Delta Conservation Plan ("BDCP") and Delta Habitat Conservation and Conveyance Plan ("DHCCP") will be borne by Palmdale. If additional charges are identified or the contemplated charges increase to where payment of those charges by Palmdale would impose a financial hardship, notice may be given by Palmdale to Butte County within 12 months of the latter of the following: (i) the effective date of the new or increased SWP charges or (ii) the date Palmdale determines that the new or increased SWP charges would impose a financial hardship. The notice shall set forth the basis of the calculation of the costs and resulting financial hardship. The parties shall thereafter meet and confer in good faith to determine if a resolution concerning such additional SWP charges, including, but not limited to, by an adjustment to the Water Rate Payment, can be reached. An example of the calculation of the Water Rate Payment is shown in Exhibit B.

4.9.2 If the parties are unable to agree on an adjustment to the Water Rate Payment, or any other suitable resolution, within 90 days after written notice is provided by Palmdale, then either party may terminate this lease upon giving a subsequent written notice to the other party. Such termination shall be effective beginning the next calendar year after the termination notice, unless the parties agree otherwise in writing.

- 4.10 Liability; Indemnity.

4.10.1. Except as provided in Section 4.16, each party shall be responsible for its own legal and consulting costs.

4.10.2 The parties acknowledge that the DWR Agreement may require Palmdale and Butte to defend, indemnify and/or hold DWR and its officers and employees harmless from lawsuits, costs, damages, judgments, attorney fees and/or liabilities that DWR and its officers and employees incur as a result of DWR providing services under the applicable DWR Agreement (each, an “indemnity obligation”). The costs of satisfying any such indemnity obligation shall be borne as between Palmdale and Butte based on comparative fault of the respective party or parties; provided, however, that in the event none of such parties is at fault, then the cost of satisfying any indemnity obligation shall be borne equally between Palmdale and Butte. If the same indemnity obligation is addressed in an agreement between DWR, Butte and Palmdale as well as a DWR Agreement with Kern County Water Agency (“KCWA”) or DRWD, and if Palmdale, Butte, and KCWA/DRWD are not at fault, then the cost of the indemnity obligation shall be borne one-third by Palmdale, one-third by Butte, and one-third by KCWA and DRWD acting jointly.

4.10.3. To the extent that a third-party initiates a claim challenging the adequacy of the CEQA review for this Agreement or the validity of this Agreement, Palmdale and Butte shall equally bear the cost to defend the claim. If a third-party initiates any such claim against Butte, the Westside Districts, and Palmdale, then all three parties shall equally bear the cost to defend the claim.

- 4.11 Each party represents and warrants to the other that no person or entity can properly claim a right to a commission, finder’s fee, or other compensation based upon the actions of that party.
- 4.12 Each of the undersigned individuals, by execution of this Agreement on behalf of Palmdale and Butte, as applicable, represents and warrants to the other that such individual has the legal power, right, and authority to execute this Agreement on behalf of Butte or Palmdale as the case may be. It is understood by all parties that the County of Butte Board of Supervisors and Palmdale’s Board of Directors must approve this Agreement prior to this Agreement becoming effective.
- 4.13 Each party represents and warrants that it has full capacity and authority to enter this Agreement; that the lease will not violate any existing agreements to which it is a party; and there is no pending litigation that would affect either party’s ability to perform under this Agreement. Each party will appear, defend, and hold harmless the other party against any liability resulting from the failure of these representations and warranties.
- 4.14 Notice under this Agreement shall be given by overnight delivery to the following addresses, and shall be effective on actual receipt:

Palmdale Water District
Attention: General Manager
2029 East Avenue Q
Palmdale, California 93550

County of Butte
Department of Water and Resource Conservation
Attention: Director
308 Nelson Avenue
Oroville, California 95965

- 4.15 The parties agree to submit all disputes, claims or controversies to neutral, binding arbitration pursuant to the commercial rules and policies of JAMS, Inc. The parties hereby agree to give up any rights they might possess to have this matter litigated in a court or jury trial.
- 4.16 In any action or arbitration to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.
- 4.17 This Agreement contains the entire agreement between the parties concerning its subject matter and supersedes all prior oral and written agreements, letters of intent, and representations. Any amendments to this Agreement must be in writing and signed by all parties.
- 4.18 The parties agree to execute any and all other documents reasonably necessary to carry out the purposes of this Agreement.
- 4.19 This Agreement was actively negotiated between the parties, and therefore the presumption of construction against the drafter shall not apply.
- 4.20 This Agreement shall be interpreted under and governed by California law.

County of Butte, California

Palmdale Water District

By: Bill Connelly
Its: Chair of Board

By: _____
Its: _____

Approved for fiscal control, subject
to budget appropriation
Auditor's Office
By: Rebecca [Signature] 10/2/13

APPROVED AS TO FORM
Butte County Counsel
By: [Signature]

EXHIBIT A
to the
AGREEMENT BETWEEN
PALMDALE WATER DISTRICT AND COUNTY OF BUTTE
FOR LONG TERM LEASE OF A PORTION OF THE
COUNTY'S STATE WATER PROJECT TABLE A

Excerpt (page B-145 of Appendix B) from Bulletin 132-12

TABLE B-22 Water System Revenue Bond Surcharge for Each Contractor

(in dollars)

Sheet 4 of 4

Calendar Year	SOUTHERN CALIFORNIA AREA (continued)				FEATHER RIVER AREA				South Bay Area Future Contractor	GRAND TOTAL
	San Geronimo Pass Water Agency	The Metropolitan Water District of Southern California	Ventura County Watershed Protection District	Total	City of Yuba City	County of Butte	Plumas County FC&WCD	Total		
	[30]	[31]	[32]	[33]	[34]	[35]	[36]	[37]		
1971	0	0	0	0	0	0	0	0	0	0
1972	0	0	0	0	0	0	0	0	0	0
1973	0	0	0	0	0	0	0	0	0	0
1974	0	0	0	0	0	0	0	0	0	0
1975	0	0	0	0	0	0	0	0	0	0
1976	0	0	0	0	0	0	0	0	0	0
1977	0	0	0	0	0	0	0	0	0	0
1978	0	0	0	0	0	0	0	0	0	0
1979	0	0	0	0	0	0	0	0	0	0
1980	0	0	0	0	0	0	0	0	0	0
1981	0	0	0	0	0	0	0	0	0	0
1982	0	0	0	0	0	0	0	0	0	0
1983	0	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0	0
1988	24,019	2,642,354	18,118	3,150,527	1,336	552	853	2,741	0	4,317,328
1989	42,040	4,587,641	34,585	5,564,840	0	918	1,454	2,372	0	7,583,021
1990	38,023	4,037,980	34,994	4,917,308	2,535	800	1,283	4,618	0	6,750,020
1991	59,122	6,259,893	54,115	7,642,536	9,945	1,243	2,027	13,215	0	10,510,679
1992	80,131	8,435,312	72,892	10,351,553	13,671	1,710	2,806	18,187	0	14,255,669
1993	94,371	8,885,273	76,858	10,904,435	14,608	1,827	3,026	19,461	0	15,068,309
1994	85,698	8,928,755	76,794	10,959,041	14,409	1,801	3,070	19,280	0	15,145,690
1995	101,792	10,539,433	90,436	12,943,057	16,957	2,119	3,704	22,780	0	18,013,188
1996	124,074	12,810,361	109,783	15,730,703	20,640	2,580	4,621	27,841	0	21,389,059
1997	28,259	13,168,230	112,960	16,102,652	21,382	2,674	4,872	28,928	0	21,970,359
1998	27,174	12,662,268	108,619	15,483,941	20,562	2,571	4,685	27,818	0	21,126,192
1999	53,545	17,454,651	149,123	21,587,353	28,348	3,543	6,765	38,656	0	29,200,538
2000	70,117	19,805,800	168,259	25,135,976	32,271	9,794	7,996	50,061	0	33,737,389
2001	69,001	19,490,499	165,580	24,751,444	31,757	9,638	7,869	49,264	0	33,419,720
2002	71,126	20,091,094	170,682	25,534,301	32,736	9,935	8,112	50,783	0	34,452,492
2003	74,063	20,920,403	177,728	26,588,412	34,087	10,345	8,446	52,878	0	35,874,763
2004	74,138	20,941,743	177,910	26,615,534	34,121	10,356	8,456	52,933	0	35,911,363
2005	69,992	19,770,593	167,960	25,127,082	32,213	9,776	7,983	49,972	0	33,903,044
2006	75,738	20,330,228	181,750	27,239,381	34,858	10,579	8,638	54,075	0	36,735,870
2007	45,192	12,752,863	116,415	17,507,615	22,362	7,007	5,579	34,948	0	23,537,874
2008	250,631	19,303,204	173,561	26,204,054	32,180	9,751	7,973	49,904	0	35,188,221
2009	78,905	21,153,536	189,110	28,342,483	36,270	11,008	8,988	56,266	0	38,172,245
2010	75,405	20,240,944	180,952	27,252,655	34,705	10,532	8,600	53,837	0	36,525,441
2011	81,440	21,860,932	195,434	29,433,806	37,482	11,375	9,289	58,146	0	39,448,783
2012	365,251	38,530,015	324,481	49,837,573	59,875	17,894	20,866	252,745	0	68,650,427
2013	386,709	39,971,232	351,835	52,241,045	64,961	18,987	23,079	274,127	0	73,234,806
2014	418,587	42,282,189	371,965	55,201,401	68,717	19,846	24,413	289,876	0	77,468,722
2015	439,922	44,437,258	390,924	58,077,990	72,219	20,679	25,658	304,756	0	81,417,183
2016	442,004	44,647,579	392,774	58,252,873	72,561	20,789	25,779	306,198	0	81,802,531
2017	435,872	44,028,162	387,325	57,843,354	71,554	20,974	25,421	301,649	0	80,667,898
2018	391,474	39,543,460	347,872	51,881,961	64,266	18,065	22,832	271,183	0	72,450,948
2019	412,955	41,713,235	369,960	54,817,784	67,782	19,187	24,085	286,074	0	76,426,276
2020	389,133	39,307,025	345,792	51,372,949	63,992	18,995	22,696	269,572	0	72,017,658
2021	387,706	39,183,154	344,528	51,184,914	63,648	18,925	22,612	268,585	0	71,754,059
2022	374,031	37,781,477	332,371	49,579,110	61,402	17,893	21,816	260,130	0	69,222,574
2023	374,776	37,856,786	333,034	49,577,636	61,525	17,943	21,899	260,626	0	69,269,553
2024	363,861	36,754,246	323,535	48,036,652	59,733	17,110	21,222	252,065	0	67,540,497
2025	332,695	33,506,241	295,640	43,922,064	54,616	16,454	19,404	230,474	0	61,572,552
2026	311,504	31,475,611	276,897	41,137,557	51,154	16,535	19,174	218,863	0	57,869,077
2027	340,493	34,391,384	302,546	44,934,978	55,883	18,110	19,857	235,860	0	63,011,306
2028	266,559	26,325,526	236,669	35,190,753	43,799	12,582	16,547	184,638	0	49,332,994
2029	287,421	28,032,908	255,408	37,545,025	47,194	13,163	16,793	199,110	0	53,193,594
2030	24,948	2,432,865	21,369	3,114,577	3,948	1,308	1,402	16,636	0	4,450,312
2031	24,106	2,435,170	21,423	3,132,699	3,968	1,337	1,406	16,701	0	4,481,678
2032	24,079	2,432,282	21,397	3,178,916	3,953	1,324	1,404	16,681	0	4,456,387
2033	24,102	2,434,808	21,420	3,162,342	3,957	1,336	1,406	16,699	0	4,461,186
2034	24,078	2,432,193	21,396	3,178,793	3,953	1,323	1,404	16,680	0	4,456,221
2035	24,068	2,433,123	21,405	3,199,417	3,954	1,327	1,405	16,686	0	4,457,638
TOTAL	8,658,432	1,043,115,971	9,113,363	1,354,256,616	1,687,999	3,375,309	537,702	5,601,010	0	1,876,553,642

EXHIBIT B
to the
AGREEMENT BETWEEN
PALMDALE WATER DISTRICT AND COUNTY OF BUTTE
FOR LONG-TERM LEASE OF A PORTION OF THE
COUNTY'S STATE WATER PROJECT TABLE A

Estimated 2014 Water Rate Payment for Palmdale Water District³

	DWR Charges to Butte	Water Rate reference	PWD Water Rate Payment to Butte
Delta Water Charge ¹	\$1,235,416	Part (a)	$(10,000 \text{ AF}/27,500 \text{ AF})(\$1,235,416) = \$449,242.18$
WSRB Surcharge ²	\$198,959	Agreement §4.9.1	$(\$198,959 - \$196,846)(10,000/27,500) = \768.28
Section 4.4.4 Charge	NA	Part (b)	$(\$53.56/\text{AF})(10,000 \text{ AF}) = \$535,600$
Other SWP Charges	NA	Part (c)	0

¹ Per Table B-21, Bulletin 132-13

² Per Table B-22, Bulletin 132-13 (\$198,959) and Bulletin 132-12 (\$196,846)

³ For simplification of calculation, table assumes no Additional Water per §4.2.3

Hypothetical 2020 Water Rate Payment for Palmdale Water District³

	DWR Charges to Butte	Water Rate reference	PWD Water Rate Payment to Butte
Delta Water Charge ¹	\$1,400,000	Part (a)	$(10,000 \text{ AF}/27,500 \text{ AF})(\$1,400,000) = \$509,040$
WSRB Surcharge ²	\$200,000	Agreement §4.9.1	$(\$200,000 - \$182,995)(10,000/27,500) = \$6,183$
Section 4.4.4 Charge	NA	Part (b)	$(\$66.80/\text{AF})(10,000 \text{ AF}) = \$668,000$
Other SWP Charges ⁴	NA	Part (c)	$\$300,000 (10,000/24,000) = \$109,080$

¹ Per Table B-21, Bulletin 132-19 (assumed)

² Assume Table B-22 in Bulletin 132-19 shows a \$200,000 charge to Butte for 2020; Bulletin 132-12 shows the charge of \$182,995, thus an overage of \$17,005 above Bulletin 132-12. Palmdale would pay for 10,000/27,500 of the overage; Westside Districts would pay for 14,000/27,500 of the overage; Butte would pay 3,500/27,500 of the overage.

³ For simplification of calculation, assumes no Additional Water per §4.2.3

⁴ Assumed \$300,000 BDCP/DHHCP charge imposed on transferred Butte water

**AGREEMENT BETWEEN PALMDALE WATER DISTRICT
AND THE COUNTY OF BUTTE FOR LEASE OF A PORTION OF THE
COUNTY OF BUTTE'S STATE WATER PROJECT**

COUNTY OF BUTTE

TABLE A AMOUNT FOR 2012 AND 2013

R 4 1 3 5 0

CONTRACT NO.

1. Identification. This Agreement is made and entered into as of the 31st day of July, 2012, by and between the County of Butte, California ("Butte") and Palmdale Water District ("PWD") and is based upon the following recitals of facts.

2. Recitals. 2.1 Butte has a State Water Project ("SWP") Water Supply Contract for twenty-seven thousand five hundred (27,500) acre-feet of SWP Table A amount. Butte has determined that for calendar years 2012 and 2013 Butte has twenty-four thousand (24,000) acre-feet of SWP Table A amount for lease for each year.

2.2 PWD needs supplemental water to meet its long-term water supply needs. PWD proposes to acquire the water supply derived from ten thousand (10,000) acre-feet of Butte's SWP Table A amount ("Leased Table A Amount") for delivery in each of calendar years 2012 and 2013. Butte has projected that the water supply derived from the Leased Table A Amount is, and will be, surplus to its local water supply needs for calendar years 2012 and 2013.

2.3 PWD needs one hundred percent (100%) of the water derived from its SWP Table A amount (21,300 acre-feet) on a long-term basis. In August 2010, the Department of Water Resources ("DWR") issued The State Water Project Delivery Reliability Report 2009 that projected the long-term water delivery allocation of SWP Table A amount at sixty percent (60%) reliability. Subsequently, DWR's Draft Delivery Reliability Report 2011 dated January 2012 also reflects a future delivery reliability of 60%. Based on DWR's projections, PWD needs an additional eight thousand five hundred and twenty (8,520) acre-feet of water supplies on average each year to offset the reduction in reliability from its SWP contract. PWD desires to acquire the water supply derived from the Leased Table A Amount from Butte to increase the quantity of SWP water PWD will receive during 2012 and 2013.

3. DWR Approval and CEQA Compliance.

3.1 The transfer of the water supply derived from the Leased Table A Amount is internal to the SWP and covered by current licenses and permits. However, the acquisition and this Agreement are both subject to the California Environmental Quality Act ("CEQA") and approval by DWR. As explained in Paragraph 3.3, the parties have each completed their respective CEQA reviews for this Agreement. However, if the required DWR approval is not

obtained by August 15, 2012, this Agreement and acquisition of the water supply derived from the Leased Table A Amount shall be cancelled and terminated without further action by either party unless the parties agree otherwise in writing.

- 3.2 Butte, with the assistance and cooperation of PWD, shall be responsible for obtaining DWR's approval for the acquisition, this Agreement, and the delivery of SWP water derived from the Leased Table A Amount to PWD as described in this Agreement, including the storage requirement specified in Paragraph 4.3 (collectively, the "Project"). Butte and PWD shall each bear their own costs necessary to obtain such approval.
- 3.3 PWD, as lead agency for purposes of CEQA, completed an Initial Study under CEQA for the Project and filed such Initial Study with the California Office of Planning and Research (the "State Clearinghouse") on May 23, 2012 (SCH#2012051063). That Initial Study concluded that the Project would not have a significant effect on the environment. As a result, following the required public review and other proceedings, on July 11, 2012 PWD adopted certain findings and a Negative Declaration for the Project which was filed with the State Clearinghouse and other appropriate agencies on July ___, 2012. Butte, as a responsible agency, concurred in PWD's findings during July, 2012.

4. Agreements. In consideration of the mutual promises contained in this Agreement, the parties further agree:

4.1 The Term of this Agreement shall commence on the Effective Date set forth in Paragraph 1, above, and shall run until December 31, 2013, subject to the payment provision of Paragraph 4.5, below; provided, however, that the parties' respective obligations hereunder shall be conditioned on receipt of DWR approval as described in Paragraph 3.1, above.

4.2 Upon the satisfaction of the conditions set forth herein and the receipt of all required approvals, Butte agrees to transfer to PWD the water supply derived from the Leased Table A Amount. As a result of such acquisition, PWD shall be entitled to receive all SWP water derived from the Leased Table A Amount during calendar years 2012 and 2013. Butte shall take all actions required to ensure such water is delivered to PWD. If Butte has additional water available beyond its in-County needs ("Additional Water"), on an annual basis during calendar years 2012 and 2013, PWD shall have the first right of refusal to acquire all or a portion of at least 42% of such Additional Water on the same terms and

conditions as set forth in this Agreement.

- 4.3 The SWP water derived from the Leased Table A Amount will become part of the SWP delivery schedule between PWD and DWR. PWD shall make all necessary arrangements with DWR for the conveyance of such SWP water to PWD's service area and with the understanding that DWR will allow undelivered water to remain in SWP conservation storage as provided under PWD's Water Supply Contract with DWR.
- 4.4 Subject to DWR's approval as described in Paragraph 3.1, above, in 2012, PWD shall pay Butte the following for the Leased Table A Amount available to PWD: (a) the then-current Delta Water Charge for the Leased Table A Amount (10,000 acre-feet) and (b) fifty dollars (\$50.00) per acre-foot of the Leased Table A Amount (10,000 acre-feet). The combination of (a) and (b) shall be referred to as the "Water Rate". In 2013, part (b) of the Water Rate shall be escalated by three and one-half percent (3.5%).
- 4.5 Payments to Butte shall be made by PWD in two equal installments for each year. For the 2012 Leased Table A Amount the installments are due within 45 days after DWR's approval as described in paragraph 3.1 and on January 1, 2013. For the 2013 Leased Table A Amount the installments are due July 1, 2013 and January 1, 2014.
- 4.6 At all times, Butte shall be responsible for paying DWR the annual Delta Water Charge related to Butte's SWP Water Supply Contract. In the event that DWR makes adjustments (credits or additional charges) to the Delta Water Charge, Butte shall adjust the Water Rate accordingly.
- 4.7 As noted in Paragraph 4.4, PWD is obligated to pay Butte for the SWP water derived from the Leased Table A Amount, even if such water is not actually delivered to PWD. To the extent that PWD fails to take delivery of the full quantity of water because of events beyond the control of PWD that cause a failure in the delivery system ("Force Majeure"), PWD shall only be required to pay for the percentage of the final SWP allocation declared by DWR that is actually delivered (for example, the annual payment to Butte would be reduced proportional to the acre-feet delivered to the Westside Districts divided by the acre-feet allocated by DWR from the Leased Table A Amount). Force Majeure shall include physical damage or destruction of conveyance facilities, natural catastrophes, or acts of a governmental authority, but shall not include inability for PWD to use the water derived from the Leased

Table A Amount due to lack of demand, storage south of the Delta, or availability of alternate supplies.

- 4.8 Each party shall be responsible for its own legal and consulting costs. To the extent that a third-party initiates a claim concerning this Agreement or the acquisition of the Leased Table A Amount, PWD and Butte shall share equally in the costs to defend the claim.
- 4.9 Each party represents and warrants to the other that no person or entity can properly claim a right to a commission, finder's fee, or other compensation based upon the actions of that party.
- 4.10 Each of the undersigned individuals, by execution of this Agreement on behalf of PWD and Butte, as applicable, represents and warrants to the other that such individual has the legal power, right, and authority to execute this Agreement on behalf of Butte or PWD as the case may be. It is understood by all parties that the County of Butte Board of Supervisors and the PWD Board of Directors must approve this Agreement prior to this Agreement becoming effective.
- 4.11 Each party represents and warrants that it has full capacity and authority to enter this Agreement; that the lease will not violate any existing agreements to which it is a party; and there is no pending litigation that would affect either party's ability to perform under this Agreement. Each party will appear, defend, and hold harmless the other party against any liability resulting from the failure of these representations and warranties.
- 4.12 Notice under this Agreement shall be given by overnight delivery to the following addresses, and shall be effective on actual receipt:

Palmdale Water District
Attention: General Manager
2029 East Avenue Q
Palmdale, California 93550

County of Butte
Department of Water and Resource Conservation
Attention: Director
308 Nelson Avenue
Oroville, California 95965

- 4.13 The parties agree to submit all disputes, claims or controversies to neutral, binding arbitration pursuant to the commercial rules and policies of JAMS, Inc. The parties hereby agree to give up any rights they might possess to have this matter litigated in a court or jury trial.
- 4.14 In any action or arbitration to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.
- 4.15 This Agreement contains the entire agreement between the parties concerning its subject matter and supersedes all prior oral and written agreements, letters of intent, and representations. Any amendments to this Agreement must be in writing and signed by both parties.
- 4.16 The parties agree to execute any and all other documents reasonably necessary to carry out the purposes of this Agreement.
- 4.17 This Agreement was actively negotiated between the parties, and therefore the presumption of construction against the drafter shall not apply.
- 4.18 This Agreement shall be interpreted under and governed by California law.

Dated: 7/31/2012

Dated: _____

County of Butte, California

Palmdale Water District

By: *Steve Lambert*

By: _____

Its: CHAIR, BOARD OF SUPERVISORS

Its: _____

Approved for fiscal control, subject to budget appropriation
Auditor's Office

By: *Rohi S* 7/31/12

APPROVED AS TO FORM
By: *[Signature]*
County Counsel



PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111
Fax (661) 947-8604
www.palmdalewater.org

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LAGERLOF, SENECAL, GOSNEY & KRUSE LLP
Attorneys



December 16, 2011

Mr. Paul Gosselin, Director
Butte County Department of Water
and Resource Conservation
308 Nelson Avenue
Oroville, CA 95965

RE: LONG-TERM LEASE – STATE WATER PROJECT TABLE A LETTER OF INTENT

Dear Mr. Gosselin:

The purpose of this letter of intent (“LOI”) is to set forth the general terms and conditions for a ten-year lease (“Lease”) of State Water Project (“SWP”) Table A. The Palmdale Water District (“PWD”) is willing to proceed with the preparation of an agreement and related documentation (“Definitive Agreement”), as set forth below, with respect to the acquisition of water from the County of Butte (“Butte”). It is intended that the Definitive Agreement will set forth in greater detail the terms and conditions of this LOI and such other terms and conditions as are mutually agreed upon by the parties. Neither PWD nor Butte is bound in any way to proceed with the transfer of SWP Table A contemplated herein until final and completed documents are executed by the parties.

1. Description. PWD needs supplemental water to meet its long-term water supply needs. Butte has a SWP contract for twenty-seven thousand five hundred (27,500) acre-feet of SWP Table A. PWD proposes to lease ten thousand (10,000) acre-feet of Butte’s SWP Table A (the “Water”). Butte has projected that the Water is surplus to its current and long-term water supply needs.

2. Purpose of Lease. PWD needs one hundred percent (100.0%) of its SWP Table A contract of 21,300 acre-feet on a long-term basis. In August 2010, Department of Water Resources (“DWR”) issued The State Water Project Delivery Reliability Report 2009 that projected the long-term allocation of SWP Table A at sixty percent (60.0%). Based on DWR’s projection, PWD needs an additional eight thousand five hundred and twenty (8,520) acre-feet of firm water supplies on average each year to offset the reduction in reliability from its SWP contract.

3. Type of Transfer and CEQA Compliance. This is a Lease of SWP Table A from Butte to PWD. The transfer of the Water is internal to the SWP and covered by current licenses and permits. The transfer requires the approval of DWR. The transfer of SWP Table A is subject to the California Environmental Quality Act. It is anticipated that PWD would be the Lead Agency in the CEQA process and that PWD would be responsible for the cost and preparation of the required documents. The lease shall not proceed unless and until the parties have negotiated, executed and delivered mutually acceptable agreements based upon information produced from the CEQA environmental review process and all governmental approvals. No party will be pre-committed to any approvals until all environmental work has been completed and all parties have made findings to proceed.

4. Delivery of Water. The Water will become part of the SWP delivery schedule between PWD and DWR. PWD shall make all necessary arrangements with DWR for the conveyance of the Water to PWD's service area. The LOI is based on requirement that DWR allow undelivered Water to remain in SWP conservation storage as provided under (i) Article 14(b), (ii) Article 56(c) or (iii) Article 12(e).

5. Term. The term of the agreement shall be for a period of ten years ("Term"). (It is anticipated that the Term will begin in 2012 and end in 2021.) Upon expiration of the Term, PWD and Butte shall have the option to extend the Definitive Agreement for subsequent periods of five (5) years each. Extension of the Term is subject to a determination by Butte that surplus water is available (Butte may adjust the quantity of the Water for said extensions, based on projected water needed to meet in-County demands).

6. Quantity. Butte shall lease PWD 10,000 acre-feet of the Water ("Quantity"). If Butte makes additional water available on an annual basis, PWD shall have option to acquire water on same terms and conditions set forth in the Definitive Agreement.

7. Price. During the Term, PWD shall pay Butte per acre-foot of the Water the sum of: (a) the then-current Delta Water Charge and (b) fifty dollars (\$50.00). The combination of (a) and (b) shall be referred to as the "Water Rate." After the first year, part (b) of the Water Rate shall be escalated by three and one-half percent (3.5%) for years two through six and four percent (4.0%) for years seven through ten of the Term.

8. Payment. On an annual basis, PWD shall make a payment to Butte equal to the Water Rate multiplied by the Quantity ("Payment"). The Payment shall be divided into two equal installments due on January 1 and July 1 of each year during the Term.

9. SWP Fixed Costs. Butte shall be responsible for paying DWR the annual fixed charges related to its SWP contract. In the event that DWR makes adjustments (credits or additional charges) to the annual fixed costs, then Butte shall adjust the following year's Payment. Butte shall invoice or refund PWD for adjustments made during the next 5 years after the expiration of the Term.

10. Transaction Costs. Each party shall be responsible for its legal and consulting costs. To the extent that a third-party initiates a claim, PWD and Butte shall share equally in the costs to defend the claim.

11. Low SWP Allocation. Once during any ten-year period of the Term or extensions thereof, SWP allocation is below thirty-five percent (35.0%), PWD shall have the option of deferring the per acre-foot charge in paragraph 7 (b). The Payment associated with the per acre foot charge shall be paid in equal installments of twenty percent (20.0%) each year over the subsequent 5 years ; installment payments bear an interest rate equivalent to the escalator percentage in effect during the year that the paragraph 7(b) charge was deferred.

12. Material Changes in Delivery to PWD. In the event the ability for DWR to deliver the Water to PWD is materially reduced from current conditions for longer than one year, either due to significant regulatory, operational, natural catastrophes, or similar issues that cannot be mitigated by the use of conservation storage as described in paragraph 4, PWD has the option to suspend or terminate the Definitive Agreement. Terms and conditions constituting "Material Change" shall be defined within the definitive agreement.

13. Preparation of Definitive Agreement. Following Butte's acceptance of the terms and conditions contained herein, PWD will prepare and deliver to Butte a draft of the Definitive Agreement that will incorporate the terms and conditions of this LOI. By execution of this LOI, PWD and Butte agree to negotiate in good faith the Definitive Agreement in accordance with the terms and conditions set forth in this LOI and such other terms and conditions relating to the lease of the Water as may be required by the parties.

14. Purpose of LOI. The purpose of this LOI is to set forth the basic terms and conditions of a proposed transaction between the parties, and to establish the basis upon which the parties can negotiate the Definitive Agreement. The parties specifically acknowledge that (i) this LOI does not, except for the obligation of good faith negotiations provided in Section 13 above, constitute a binding contractual obligation to sell and purchase the Water and (ii) Butte shall not be bound to sell the Water until the Definitive Agreement is mutually executed and delivered.

15. Authority. Each of the undersigned individuals, by execution of this LOI on behalf of PWD and Butte, as applicable, represents and warrants to the other that such individual has the legal power, right and actual authority to execute this LOI and negotiate the terms of the lease of the Water. It is understood by all parties that the County of Butte Board of Supervisors and the PWD Board of Directors must approve the Definitive Agreement.

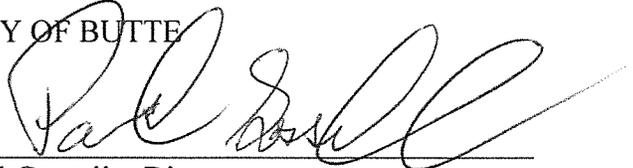
If the foregoing meets with your approval and you are willing to proceed with the negotiations for the Definitive Agreement upon the basis set forth herein, please indicate your acceptance by executing the copy of this LOI that has been enclosed and delivering it to Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP, 301 North Lake Avenue, 10th Floor, Pasadena, CA, 91101, Attention: H. Jess Senecal, Attorney at Law. If this LOI is not so executed and received on or before January 15, 2012, the terms set forth in this LOI shall be null and void.

PALMDALE WATER DISTRICT

By: 
Dennis LaMoreaux, General Manager

AGREED AND ACCEPTED:

COUNTY OF BUTTE

By: 
Paul Gosselin, Director
Butte County Department of Water
and Resource Conservation

Date: 1/12/12

cc: Mr. Jess Senecal Esq., Lagerlof, Senecal, Bradley, Gosney & Kruse, LLP
Mr. Eric R. Robbins, Sierra Water Group, Inc.

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: November 6, 2013 **November 13, 2013**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Tim M. Moore, Facilities Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION
ON SAFETY FOOTWEAR POLICY.***

Recommendation:

Staff recommends approval of the Safety Footwear Policy.

The Personnel Committee reviewed the Safety Footwear Policy at their October 16, 2013 meeting and recommended it be presented to the full Board for consideration.

Alternative Options:

The alternative option is to not have a Safety Footwear Policy.

Impact of Taking No Action:

The risk of foot injuries increases with lack of enforcement for the use of proper protective equipment where foot hazards exist.

Background:

At this time, the District has no Safety Footwear Policy; however, California Code of Regulations and OSHA regulations exist requiring the use of the proper footwear protective equipment. Because of these regulations, the District has required employees in certain positions to wear protective footwear to protect against hazards in the workplace and to ensure a safe work environment.

A number of questions and issues develop regarding protective footwear requirements, enforcing these requirements, and each employee's responsibility to protect themselves from injuries.

Past practices have been for employees to purchase the proper footwear protection at their own cost, and in 2012, the District provided a boot truck that came to the District and employees selected the proper footwear protection from the boot selection on the

November 6, 2013

truck at the District's expense of \$125.00 per employee. There were a number of complaints regarding the boot truck, and staff developed the Safety Footwear Policy to not only address these issues, but to provide a tool for the enforcement of the need to wear the proper footwear protection.

The proposed Safety Footwear Policy identifies those positions required to wear the proper footwear protection, outlines the specifics for proper footwear protection, details the reimbursement procedure of \$125.00 per employee for proper footwear protection purchases, and outlines enforcement of the Policy through daily inspections.

Strategic Plan Element:

This work is part of Strategic Element 4.0 – Personnel Management.

Budget:

This is a non-budgeted item for 2013. At a cost of \$125.00 or less per employee, the anticipated annual not-to-exceed expense would be approximately \$6,000.00. This amount can be included in the 2014 budget.

Supporting Documents:

- Safety Footwear Policy
- California Code of Regulations, Title 8, Section 3385. Foot Protection
- OSHA 1910.136 (a) Personal Protection Equipment. Foot Protection

SAFETY FOOTWEAR POLICY

I. POLICY STATEMENT

It is the policy of the Palmdale Water District to require the use of safety shoes where foot hazards exist as a significant part of the job. Employees shall not be permitted to work in areas where foot or slip/fall hazards exist unless properly protected.

II. DEFINITIONS AND GENERAL REQUIREMENTS

- A. Risk Level 1 – Risk Level 1 shall consist of job duties that involve conditions that present a high degree of potential foot hazards, including, but not limited to, working on uneven and slippery surfaces, handling heavy objects, equipment, or tools potentially causing injuries from crushing or penetrating actions.

A steel toe safety shoe is required. Positions requiring Risk Level 1 safety footwear are as follows: Senior Field Service Tech., Field Service Tech. II, Field Service Tech. I, Treatment Supervisor, Plant Operator I/II, Senior Maint. Worker, Maintenance Worker, Systems Supervisor, Pump Technician I/II, Electrician I/II, Electronic Technician I/II, Construction Inspector I/II, Equip. Mech. Supervisor, Equip. Mechanic, Warehouse Technician, Senior Service Worker, Service Worker I/II.

- B. Risk Level 2 – Risk Level 2 shall consist of job duties that involve conditions that present a lesser degree of foot hazard risk potential than Risk Level 1, including, but not limited to, working on uneven surfaces, handling light objects, equipment, or tools with no exposure to crushing or penetrating actions.

An appropriate work shoe or boot is required when performing duties that present Risk Level 2 conditions. Positions that may at times require Risk Level 2 safety footwear are as follows: General Manager, Assistant General Manager, Executive Assistant, Administrative Assistant, Human Resources Manager, Community & Govern. Affairs Coord., Water Conservation Supervisor, Water Conservation Aide, Water & Energy Resources Manager, Information Technology Manager, Information Technology Technician I/II, Finance Manager, Customer Service Supervisor, Assist. Cust. Service Super., Cust. Service Rep. II, Cust. Service Rep. I, Senior Accountant, Accounting Technician, Accounting Assistant I/II, Operations Manager, Water Quality Supervisor, Lab Analyst I/II, Administrative Tech., Engineering Manager, Project Manager, Cross Connection Tech., Engineering Tech. I/II, Facilities Manager.

- C. Fair wear and tear - A determination that shoe wear has deteriorated to the point that replacement is necessary shall be made by the appropriate supervisor pursuant to Section III.A.5 of this Policy.

SAFETY FOOTWEAR POLICY

Note: An evaluation is also made if shoes have been used properly.

Note: Non-skid protection applies in Level 1 and Level 2 categories for exposure to slippery work surface conditions.

III. GENERAL INFORMATION

- A. The Palmdale Water District will provide one new pair of safety shoes to an employee based upon "fair wear and tear" of existing shoes to a maximum cost of \$125.00 for each employee determined to be exposed to Risk Level 1 foot hazards. Except in unusual circumstances, safety shoes will not be purchased for an employee more frequently than once each calendar year.
1. The cost of the Risk Level 1 safety shoe purchased in excess of the maximum of \$125.00 will be the responsibility of the employee.
 2. All Risk Level 1 safety shoes must meet I/75, C/75, or EH ratings and bear the official stamp of approval from the American Society for Testing and Materials (ASTM). I/75 rated footwear will protect the toes from an impact of up to 75 pounds. C/75 rated footwear will protect the toes from compressive loads up to 2,500 pounds. EH (Electrical Hazard) footwear is designed for employees who work around heavy-duty electrical equipment, live wires and circuits, and energized conductors and include soles and heels that dispel electricity in case of electrical shortage or shock.
 3. When performing duties that are within Risk Level 1 or Risk Level 2, no tennis shoes, cowboy boots, slip-on boot or other non-safety shoe styles will be allowed.
 4. A 6" minimum high top shoe, for jobs involving uneven ground assignments, and a low quarter shoe, for jobs involving more even ground assignments will be the standard acceptable under this Policy.
 5. Risk level requirement determinations and fair wear and tear evaluations will be made by the Department Manager, Supervisor, or Senior Service Worker of the subject employee.
- B. Employees determined to be exposed to Risk Level 2 foot hazards will provide their own suitable work shoes.

IV. PROCEDURE

- A. Each Department Manager will establish a list of employees needing Risk Level 1 safety shoes, in compliance with this Policy.

SAFETY FOOTWEAR POLICY

- B. In accordance with Section II.A and Section III.A, Risk Level 1 safety shoes will be provided. If shoes have worn, each Department Manager or Supervisor will evaluate new safety shoe requests determining if resoling and/or re-heeling is appropriate. If so, the employee will be directed to have the shoes repaired and return the repair receipt for reimbursement up to a maximum dollar amount of \$40.00.

- C. When new safety shoes are purchased, the authorized supervisor of the requesting employee will verify by his/her signature on the Safety Footwear Policy Reimbursement Form the following points:
 - 1. The employee is eligible to receive shoes.
 - 2. The safety shoe style is appropriate for the work performed.
 - 3. The safety shoe meets I/75, C/75, or EH ratings and bears the official stamp of approval from the American Society for Testing and Materials (ASTM).

- D. The employee is responsible for selecting the correct shoe in compliance with this policy and will pay for any incurred costs/subsequent shoe purchases over the maximum allowance at the time of the transaction with the vendor.

- E. After the employee obtains the correct shoe, the Department Manager, Supervisor, or Senior Service Worker will verify that the shoe is in compliance.

- F. After verification of compliance, the employee will turn in the original receipt to the Department Manager, Supervisor, or Senior Service Worker for attachment to the Safety Footwear Policy Reimbursement Form.

- G. The Department Manager or Supervisor will forward the Safety Footwear Policy Reimbursement Form and original receipt from the employee to the accounting department for reimbursement to the employee on a non-tax basis up to the maximum amount of \$125.00.

V. ENFORCEMENT

- A. The Department Manager, Supervisor, or Senior Service Worker, will enforce employee compliance with the program through a daily inspection as employees will not be allowed to work without wearing the appropriate shoe. Employees not complying with this Policy will be sent home without pay to dress according to Policy.

- B. All safety shoes/boots will be purchased by employees during their own time. No employee shall be allowed to purchase safety shoes while on duty.

SAFETY FOOTWEAR POLICY

- C. All safety shoes/boots purchased under this Policy are to be used during work hours and are encouraged to be stored in District-provided lockers.

VI. EMPLOYEE RESPONSIBILITY FOR MAINTENANCE AND REPLACEMENT INTERVALS FOR SAFETY FOOTWEAR

Replacement of lost or damaged shoes will not be reimbursed unless the employee can show reasonable cause for loss or damage. Employees are responsible for maintaining and safekeeping their safety footwear in such a manner that it is usable for at least one (1) year. Alternative rubber work boots must be worn when deemed appropriate. All premature, unusual wear, or damage must be reported to the Supervisor or Senior Service Worker. If extreme conditions exist for premature wearing of shoes, the employee must notify the Supervisor or Senior Service Worker immediately. The Supervisor, up to the Department Manager, will investigate the situation and determine appropriate action to address and/or correct the problem.

SAFETY FOOTWEAR POLICY

SAFETY FOOTWEAR POLICY REIMBURSEMENT FORM

Date: _____

Employee Name: _____

Title: _____

DEPARTMENT MANAGER, SUPERVISOR, SENIOR SERVICE WORKER VERIFICATION

- | | YES | NO |
|--|--------------------------|--------------------------|
| • The employee is eligible to receive shoes. | <input type="checkbox"/> | <input type="checkbox"/> |
| • The safety shoe style is appropriate for the work performed. | <input type="checkbox"/> | <input type="checkbox"/> |
| • The safety shoe meets I/75, C/75, or EH ratings and bears the official stamp of approval from the American Society for Testing and Materials (ASTM). | <input type="checkbox"/> | <input type="checkbox"/> |
| • Original receipt attached. | <input type="checkbox"/> | <input type="checkbox"/> |

APPROVED FOR REIMBURSEMENT: _____ Date: _____

Signature: _____

Name printed: _____

Title: _____

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Subchapter 7. General Industry Safety Orders
Group 2. Safe Practices and Personal Protection
Article 10. Personal Safety Devices and Safeguards

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§3385. Foot Protection.

(a) Appropriate foot protection shall be required for employees who are exposed to foot injuries from electrical hazards, hot, corrosive, poisonous substances, falling objects, crushing or penetrating actions, which may cause injuries or who are required to work in abnormally wet locations.

(b) Footwear which is defective or inappropriate to the extent that its ordinary use creates the possibility of foot injuries shall not be worn.

(c)(1) Protective footwear for employees purchased after January 26, 2007 shall meet the requirements and specifications in American Society for Testing and Materials (ASTM) F 2412-05, Standard Test Methods for Foot Protection and ASTM F 2413-05, Standard Specification for Performance Requirements for Foot Protection which are hereby incorporated by reference.

(2) Protective footwear purchased on or before January 26, 2007 shall meet the requirements of either the American National Standard for Personal Protection -Protective Footwear, American National Standards Institute (ANSI) Z41-1999, or the American Society for Testing and Materials (ASTM) F2412-05, Standard Test Methods for Foot Protection and ASTM F 2413-05, Standard Specification for Performance Requirements for Foot Protection which are hereby incorporated by reference.

Note: Authority cited: Section 142.3, Labor Code. Reference: Section 142.3, Labor Code.

HISTORY

1. Repealer and new section filed 7-11-74; effective thirtieth day thereafter (Register 74, No. 28).
2. Amendment of newly designated subsection (c)(1), new subsection (c)(2) and new Note filed 12-13-94; operative 1-12-95 (Register 94, No. 50).

3. Amendment of subsection (a) filed 9-30-96; operative 10-30-96 (Register 96, No. 40).
4. Amendment of subsections (c)(1)-(2) filed 12-27-2006; operative 1-26-2007 (Register 2006, No. 52). For prior history, see Register 96, No. 40.
5. Amendment of subsection (c)(2) filed 8-31-2009; operative 9-30-2009 (Register 2009, No. 36).

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Due to suspension of Federal government services, this website is not being regularly monitored. If you need to report a workplace fatality, hospitalizations, or an imminent danger situation please contact our toll free number immediately: 1-800-321-OSHA (6742); TTY 1-877-889-5627.

Regulations (Standards - 29 CFR) - Table of Contents

- Part Number: 1910
Part Title: Occupational Safety and Health Standards
Subpart: I
Subpart Title: Personal Protective Equipment
Standard Number: 1910.136
Title: Foot protection.

1910.136(a)

General requirements. The employer shall ensure that each affected employee uses protective footwear when working in areas where there is a danger of foot injuries due to falling or rolling objects, or objects piercing the sole, and where such employee's feet are exposed to electrical hazards.

1910.136(b)

Criteria for protective footwear.

1910.136(b)(1)

Protective footwear must comply with any of the following consensus standards:

1910.136(b)(1)(i)

ASTM F-2412-2005, "Standard Test Methods for Foot Protection," and ASTM F-2413-2005, "Standard Specification for Performance Requirements for Protective Footwear," which are incorporated by reference in § 1910.6;

1910.136(b)(1)(ii)

ANSI Z41-1999, "American National Standard for Personal Protection -- Protective Footwear," which is incorporated by reference in § 1910.6; or

1910.136(b)(1)(iii)

ANSI Z41-1991, "American National Standard for Personal Protection -- Protective Footwear," which is incorporated by reference in § 1910.6.

1910.136(b)(2)

Protective footwear that the employer demonstrates is at least as effective as protective footwear that is constructed in accordance with one of the above consensus standards will be deemed to be in compliance with the requirements of this section.

[59 FR 16360, April 6, 1994; 59 FR 33910, July 1, 1994; 61 FR 9227, March 7, 1996; 61 FR 19547, May 2, 1996; 61 FR 21228, May 9, 1996; 74 FR 46356, Sept. 9, 2009]

Next Standard (1910.137)

Regulations (Standards - 29 CFR) - Table of Contents

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Governance Foundations - TVMWD

Instructor: David Aranda, North of the River
Municipal Water District

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Governance Foundations, the first of four modules and the core of the Special District Leadership Academy series, provides the basic information needed by board members, general managers, and staff to build an effective and functional governance team. This course teaches the foundational knowledge and skills that identify and define the essential building blocks of a successful board.

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08:30 am - 09:00 am Registration

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12:00 pm - 12:45 pm Lunch (Provided)

12:45 pm - 03:45 pm Workshop

Cancellations must be made IN WRITING and received via fax, mail, or email no later than three days prior to the seminar. All cancellations made within the specified time will be refunded less a \$25 processing fee.

Start Date: Tuesday, December 17, 2013

End Date: Tuesday, December 17, 2013

Coordinators: Sharon Foster, Professional Development Assistant -
sharonf@csda.net

Address: Three Valleys Municipal Water District
1021 E. Miramar Avenue
Claremont, CA 91711-1300

You must log on before continuing through the checkout process.

Thank you for using the CSDA web site.

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, SEPTEMBER 12, 2013.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, September 12, 2013, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Mac Laren called the meeting to order.

1) Pledge of Allegiance.

At the request of Chair Mac Laren, Commissioner Alvarado led the pledge of allegiance.

2) Roll Call.

Attendance:

Kathy Mac Laren, Chair
Barbara Hogan, Vice Chair
Leo Thibault, Treasurer-Auditor
Andy Rutledge, Secretary
Robert Alvarado, Commissioner
Keith Dyas, Commissioner

Others Present:

Matt Knudson, General Manager
Tom Barnes, Controller
Brad Bones, LCID General Manager
George Lane, Alt. Commissioner
Dawn Deans, Executive Assistant
4 members of the public

3) Public Comments for Items Not on the Agenda.

There were no public comments.

4) Approval of Minutes of Regular Meeting Held April 18, 2013.

It was moved by Commissioner Alvarado, seconded by Commissioner Rutledge, and unanimously carried to approve the minutes of the regular meeting held April 18, 2013, as written.

5) Payment of Bills.

After a brief discussion of the bills, of the funds for payment of the bills, of general staff time versus grant funding staff time, and of clarification of RMC Water and Environment's invoices, it was moved by Commissioner Thibault, seconded by Commissioner Rutledge, and unanimously carried to ratify the bills received from PWD in the total amount of \$1,303.94, from AVEK in the total amount of \$1,817.84, from The

United States Department of the Interior in the amount of \$28,025.00, from IES in the amount of \$294.00, from RMC Water and Environment in the total amount of \$49,730.17, and from AAD/Lake LA/Rosamond News in the amount of \$132.30.

6) Consideration and Possible Action on 2013/2014 Budget. (General Manager Knudson)

General Manager Knudson stated that staff did not have all information available to prepare year-end financials and anticipates this information will be available for consideration at the next meeting.

7) Consideration and Possible Action on Joint Funding Agreement for Continuation of the Cooperative Water Resources Program Between AVSWCA and USGS for the Period November 1, 2013 to October 31, 2014. (General Manager Knudson)

General Manager Knudson provided an overview of the tasks included in the Joint Funding Agreement for groundwater monitoring in the Antelope Valley after which Mr. Robert Blanchard and Mr. Nick Teague, of USGS, reviewed the Joint Funding Agreement tasks in detail and the options available through contour mapping and their interactive website.

After a further discussion of presenting previous Joint Funding Agreement groundwater monitoring results to the Association, selection of the wells for the groundwater monitoring, payment options, and the adjudication process, it was moved by Commissioner Dyas and seconded by Commissioner Alvarado to approve the Joint Funding Agreement for continuation of the Cooperative Water Resources Program between the AVSWCA and USGS for the period November 1, 2013 to October 31, 2014 including Task No.'s 1, 2, 3A, and 3B, with the payment for Task No.'s 3A and 3B spread over a two year period.

After a further discussion of the costs included in the Joint Funding Agreement and of the Association's budget, it was moved by Commissioner Thibault, seconded by Commissioner Rutledge, and unanimously carried to table the motion until the next meeting.

General Manager Bones requested rough costs for each agency to participate in this Agreement, as well as an anticipated cost for the third year, be prepared.

8) Consideration and Possible Action on Regional Control of Water From the State Water Project. (General Manager Knudson)

General Manager Knudson stated that a draft agreement for regional control of water from the State Water Project has been prepared for submittal to the Department of Water Resources and has been discussed among the legal firms for the three member agencies and then requested the Commissioners direct their respective legal counsels to dedicate the time toward this effort.

9) Update on Palmdale Water District's Littlerock Creek Recharge and Recovery Project. (General Manager Knudson)

General Manager Knudson stated that the Association has been discussing conducting a joint recharge project on the east side of the Antelope Valley; that PWD has taken the lead on a Littlerock Creek Recharge and Recovery Project, and a recommendation on a consultant contract for completing the Feasibility Study for this Project will be presented to PWD's Board for consideration in late September; that as the Project progresses, PWD will approach LCID and AVEK to become potential partners, and the RFP outlining the scope of work has been provided to AVEK and LCID agency staff; and that PWD will keep the member agencies and the Association up-to-date on the progress of this Project.

Commissioner Dyas then stated that AVEK would be happy to discuss partnering in this project followed by discussion of recharge options, recovery, and previous recharge efforts in this area.

10) Consideration and Possible Action on Agency Interest in Funding a Feasibility Study for Development of a Joint Recharge/Water Banking Project on the East Side of the Antelope Valley. (General Manager Knudson)

General Manager Knudson stated that this project is towards Big Rock Creek and that he recommends the Littlerock Creek Recharge and Recovery Project progress and potentially be expanded towards Big Rock Creek.

Commissioner Dyas then stated that AVEK is very interested in this project and then announced that AVEK is in the early stages of developing an 80 acre water bank near their eastside water treatment plant; that the purpose of this project is for both storage and water quality; that AVEK would be happy to discuss expansion of this

project with potential partners; and then requested PWD and LCID consider this opportunity.

After a brief discussion of the direction of this item and of tax-defaulted properties, General Manager Knudson stated that he will discuss this item in more detail with legal counsel during discussions on regional control of water from the State Water Project.

11) Report of General Manager.

a) Updated Contact List for Commissioners and Staff.

General Manager Knudson stated that an updated contact list has been included in the agenda packets.

b) Update on Antelope Valley IRWMP.

General Manager Knudson stated that the Association has an agreement with the Department of Water Resources for a \$480,000 grant to fund the AVIRWMP update; that the IRWMP Advisory Team reviewed a list of approximately 40 different projects submitted by the various agencies for potential funding under this grant; that these projects will be scored and ranked as an IRWMP requirement and presented at the upcoming stakeholder's meeting for approval; and that PWD submitted three projects for potential funding being the Littlerock Sediment Removal Project, the Littlerock Creek Groundwater and Recharge Recover Project, and expansion of the recycled water distribution system through the Palmdale Recycled Water Authority after which Controller Barnes stated that AVEK submitted four projects for potential funding being the Eastside Banking and Blending Project, the Southern Antelope Valley Intertie Project, the Water Supply Stabilization Program westside expansion, and the Water Resource Strategic Plan for current and future projects and provided an overview and location of each of these projects.

Commissioner Dyas then encouraged partners for AVEK's banking projects.

c) Update on Salt and Nutrient Management Plan for the Antelope Valley.

General Manager Knudson stated that the Salt and Nutrient Management Plan will be part of the IRWMP; that a policy was set in 2009 for basins to review salt loading within the basin primarily due to the expanding use of recycled water; and that a draft of this Plan has been distributed and work is progressing.

d) Update on Prop. 84 and 1E Grant Applications.

General Manager Knudson stated that the Prop 84 grant was for the Boron Community Services District's arsenic clean-up project and that the scoring results have been postponed until October.

He then reported that the Prop 1E grant was for the Littlerock Dam Sediment Removal Project; that this Project did not score high enough to be included in the funding group as there was not enough downstream flood prevention benefit; but that the information in this grant application may be used in an upcoming Prop 84 grant opportunity.

12) Report of Controller.

Controller Barnes stated that he has no further report.

14) Reports of Commissioners.

Commissioner Thibault stated that he sees great value in the Association's website if information is posted on the website; that he wants to ensure that Controller Barnes has the support needed to ensure the website is continuously updated; that he is disappointed in the current website content as nothing new has been posted since April; and then requested that Controller Barnes inform the Commissioners of the tools needed to ensure the website content is accurate and up-to-date as the website is not needed if current information is not posted; that the Commissioners review the website within the next month and brainstorm content ideas; and that this matter be included on the next agenda for consideration.

Commissioner Alvarado then recommended past, current, and upcoming events be posted on the Association's website.

Commissioner Rutledge reported that he is extremely pleased with the work among the three agencies to secure water supplies for each agency; that this is

accomplished so much better when the agencies are working together to make sure the entire Antelope Valley is taken care of; that he is pleased to hear the items discussed this evening; and that there may be joint projects coming in the future.

Commissioner Dyas stated that he agrees with Commissioner Rutledge's comments; that he is very excited to see specific projects for partnering; that he is looking forward to the development of these projects; and that if not for this Association, AVEK's agreement with PWD to supply water to the community of Acton would not have been possible.

Chair Mac Laren stated that she also agrees with Commissioner Rutledge's comments and that she looks forward to seeing these joint projects move forward so all areas around the agencies are taken care of for water supply.

14) Report of Attorney.

No attorney was present.

15) Commission Members' Requests for Future Agenda Items.

Commissioner Thibault requested "Consideration and possible action on the Association's website" be included on the next agenda.

There were no further requests for future agenda items.

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

It was determined that the next regular meeting of the Association will be held October 10, 2013 at 6:30 p.m. at PWD.

17) Adjournment.

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned.


Secretary

MINUTES OF MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE WATER DISTRICT, OCTOBER 7, 2013:

A regular meeting of the Outreach Committee of the Palmdale Water District was held Monday, October 7, 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
Vincent Dino, Director-Elect
Jim Stanton, Information Technology Mngr.
Claudette Beck, Water Conservation Spvsr.
Dawn Deans, Executive 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 September 9, 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 September 9, 2013, as written.

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

Water Conservation Supervisor Beck reviewed the articles for the next issue of Water News followed by discussion of the articles, revisions, and future articles.

Executive Assistant Deans then provided a delivery report of last month's Constant Contact e-Water News.

The District's and A.V. College's ads in the A.V. Free Classifieds, participation in the District's and College's workshops, and promotion of these workshops were then discussed.

4.3) Discussion of "Before the First Drop" Marketing Campaign. (Water Conservation Supervisor Beck/Information Technology Manager Stanton)

Information Technology Manager Stanton stated that he received a quote for subtitling and providing closed captioning for the "Before the First Drop" videos in the amount of \$425.00, and after a brief discussion of the benefits of these options, the Committee concurred with this cost.

Water Conservation Supervisor Beck stated that the winner of the "Before the First Drop" landscape renovation has been notified, a contract has been signed, and his partially xeriscaped landscape will be completed and that the remaining item to be completed for the "Before the First Drop" marketing campaign is the flash-mob dance.

Executive Assistant Deans distributed proposed "Before the First Drop" marketing campaign packets for local legislators followed by discussion of the packets, revisions, and scheduling meetings with local legislators for delivery of the packets, and General Manager LaMoreaux recommended ten copies of the packets be provided to each local legislator to share with their staff.

4.4) Discussion of Meeting California Urban Water Conservation Council Requirements and Maintenance of Year 2020 Gallons Per Capita Per Day. (Water Conservation Supervisor Beck)

Water Conservation Supervisor Beck reviewed the need to ensure the District's gallons per capita per day remains under the year 2015 and 2020 goals, quarterly reporting requirements, the options proposed at the last meeting for reducing gallons per capita per day, and including these options in the 2014 budget followed by discussion of ideas to convey the District's message targeting commercial as well as residential customers including A.V. Press newspaper and website ads, the RFP for the 2014 rate study, which will include public relations, Digivue, Facebook, Constant Contact ads, and Spanish advertising options.

5) Information Items.

5.1) Status of District Website Redesign. (Information Technology Manager Stanton)

Information Technology Manager Stanton stated that the District's website consultant continues work on the website redesign, and this will be previewed when available.

5.2) Other.

General Manager LaMoreaux stated that he met with Assemblyman Fox and his staff last Thursday regarding the District's door-tag procedure, use of G.A.C., and outline from the legislative briefing; that the meeting went well; and that District staff resolved the issues for the customer who recently addressed the Board and the Assemblyman's office.

Committee Member Alvarado then stated that Assemblyman Fox apologized to him at the Relay for Life for not notifying the Board about his request for the state audit; that he informed Assemblyman Fox that a better job needs to be done regarding the notification process and quite a few people are now under the impression that the District is in violation and he is after the District rather than other small unknown water agencies; that he received a telephone call from La Prensa Magazine as they printed an article indicating a local water district had increased their rates up to 60% without naming the water agency; that he notified them of his personal and individual comment on the publication of the article; and that the District's accomplishments need to continue to be conveyed to clear up any misconceptions about the District.

Chair Dizmang then stated that she contacted the aide for Assemblyman Fox regarding the audit who stated that they are impressed with Palmdale Water District after which General Manager LaMoreaux stated that the District was requested to be audited to show the difference between public agencies and private agencies.

Chair Dizmang then inquired about public outreach for the upcoming Proposition 218 process after which General Manager LaMoreaux stated that discussions on the upcoming rate study and Proposition 218 process will begin at the Finance Committee level; that his tentative recommendation is to hire consultants for both the rate study and

public relations duties; and that the Outreach Committee's involvement will be in establishing the scope of work for the public relations consultant.

Executive Assistant Deans then informed the Committee of the key steps to effective public outreach included in the agenda packets, which may be helpful for outreach campaigns.

There were no additional information items.

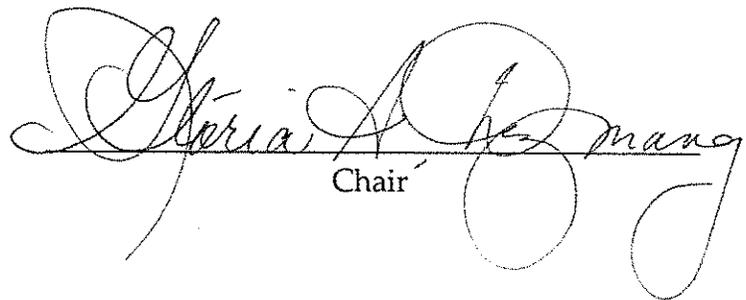
6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

The next Outreach Committee meeting was scheduled for November 4, 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 SPECIAL MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE OF THE PALMDALE WATER DISTRICT, OCTOBER 11, 2013:

A special meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Friday, October 11, 2013, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dexter called the meeting to order.

1) Roll Call.

Attendance:

Water Supply & Reliability Cmte:
Gordon Dexter, Chair
Gloria Dizmang, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Kathy Mac Laren, PWD Board President
Robert Alvarado, PWD Director
Vincent Dino, PWD Director Elect
Jon Pernula, Water & Energy Resources Manager
Matt Knudson, Engineering Manager
Dawn Deans, Executive Assistant
4 members of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held September 23, 2013.

It was moved by Committee Member Dizmang, seconded by Chair Dexter, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held September 23, 2013, as written.

4.2) Review and Discussion of Proposed Water Supply Fee. (Chair Dexter)

Engineering Manager Knudson provided an overview of the proposed Water Supply Fee discussions held at the August 12, 2013 Board workshop including the

purpose of the Water Supply Fee and Capital Improvement Fee structure based on the District's many planning documents; these documents indicate the District's current water supply is equal to the current demand, and there is a need for additional water supply to support any future demands; the Strategic Water Resources Plan, which identifies projected growth and demands to meet that growth and areas where additional water is needed; and the District's historical supply and demand for the past ten years and the 20% reduction in gallons per capita per day in the year 2020 requirement.

Mr. Steve Fine, of Epic Companies and representing the Building Industry Association (BIA), Ms. Marta Brown, of the BIA, and Mr. Kevin Rogers, of Pacific Communities and representing the BIA, reiterated their discussions with the individual Board members on this matter and stated that the District has done well in their water supply and projections, and they do not see a water supply problem now or going forward; that they are aware of variations in supply from year to year, the adjudication issues, and excess Table A; and that they agree a mechanism needs to be put into place that is fair, reasonable, rational, and impacts the BIA solely based on new development-related new supply.

A detailed discussion then ensued of the District's planning documents, the District's analysis of water supply and availability, long-term reliability of the State Water Project, the District's capital improvement structure, how bond funds are repaid, annual adjustments to the Water Supply Fee based on the Construction Cost Index, the issuance and expiration of the District's Water Service Availability letters and when fees are due, projects and water conservation to reduce demand being seen by the District as future water supply, the two Water Supply Fee options and costs, and staff's recommendation to implement the Water Supply Fee based on Option 2, which is for a ten year period and includes an additional water supply amount of 14,000 acre feet including the development of 4,000 acre feet of recycled water after which the BIA representatives concurred with the District's recommendation to implement the proposed Water Supply Fee based on Option 2 for a ten-year period with current Water Service Availability letters not subject to the proposed Water Supply Fee and the proposed Water Supply Fee phased in for the first year with fees paid on a 50% basis and the remaining 50% amortized over the Option 2 ten-year period or when the 14,000 acre foot Option 2 cap is reached.

Engineering Manager Knudson then stated that District staff will develop these revisions by mid-next week, and it was determined that BIA representatives will meet with District staff to review the revision.

It was then stated that this item will also be discussed at the October 21, 2013 Water Supply & Reliability Committee meeting and considered by the full Board at the October 23, 2013 regular Board meeting.

5) Information Items.

There were no additional information items to discuss.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

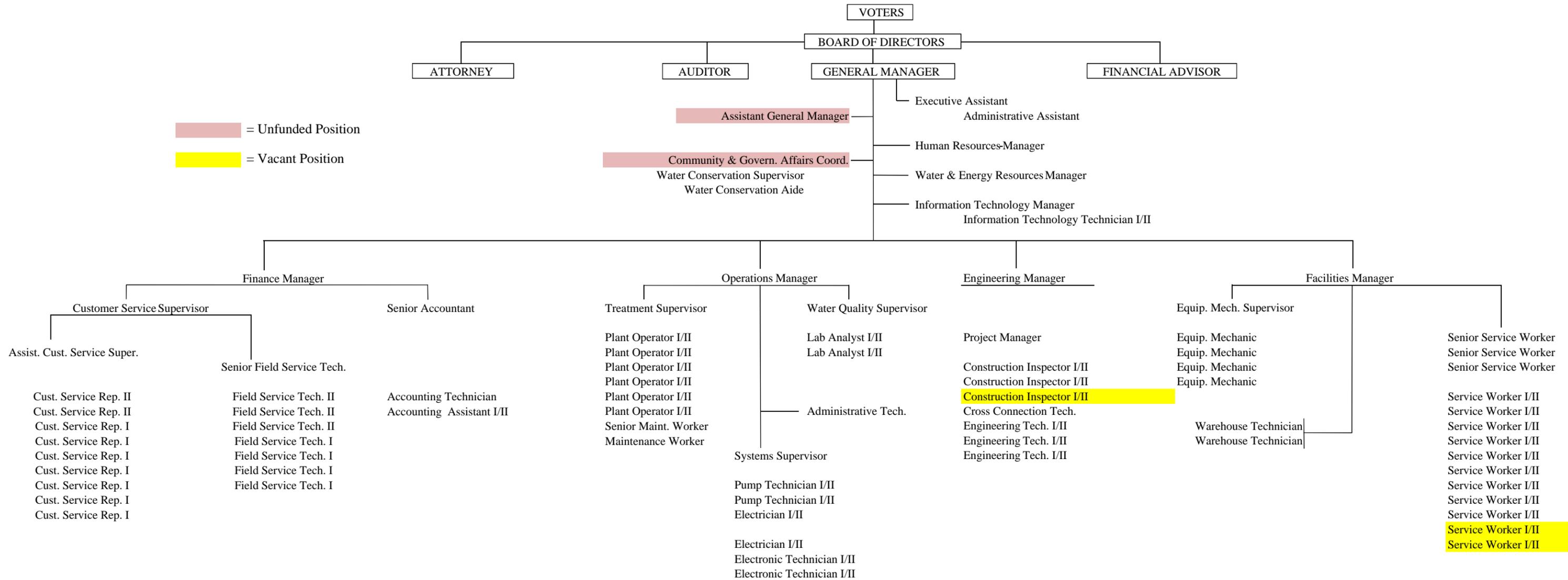
The next Water Supply & Reliability Committee meeting is scheduled for October 21, 2013 at 5:00 p.m.

7) Adjournment.

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



Chair



SUMMARY TABLE

Hiring Authorizations		Filled By		Status
Date	Position			

Palmdale Water District
Position Vacancy and Hiring Process Status

Organization Chart Approved by Board Action Nov. 14, 2012

Date: November 7, 2013

DDL