



PALMDALE WATER DISTRICT

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

Board of Directors

ROBERT E. ALVARADO
Division 1

GORDON G. DEXTER
Division 2

GLORIA DIZMANG
Division 3

KATHY MAC LAREN
Division 4

STEVE R. CORDOVA
Division 5

LAGERLOF, SENECAL, GOSNEY & KRUSE LLP
Attorneys



December 19, 2011

*Agenda for a Special 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, December 21, 2011
6:30 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 x103 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

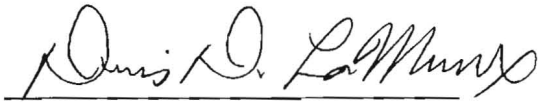
Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale. Please call Dawn Deans at 661-947-4111 x103 for public review of materials.

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) 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.)
 - 4.1) Consideration and possible action on Financial Advisor Egan contract. (Director Dizmang)
- 5) Report of Ad Hoc Committee – Payroll Software Update. (Director Alvarado/Director Dizmang)
- 6) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

INDEPENDENT CONTRACTOR AGREEMENT

This INDEPENDENT CONTRACTOR AGREEMENT ("Agreement") is made, entered into and effective as of September 1, 2011, by and between PALMDALE WATER DISTRICT (hereinafter "District"), and ROBERT M. EGAN (hereinafter "Egan" or "Financial Advisor").

RECITALS

A. Egan is a certified public accountant duly licensed in the State of California and has been performing accounting, financial, investment and other services for the District since November 1, 1994.

B. The District wishes to formalize its arrangement with Egan, as an independent contractor on certain terms as set forth in this Agreement, and Egan is agreeable to the proposed arrangement.

C. The parties are therefore entering into this Agreement to set forth the terms and conditions under which Egan will continue to serve as a financial advisor to the District.

AGREEMENTS

Now, therefore, in consideration of the mutual promises herein set forth, the parties agree as follows:

1. INDEPENDENT CONTRACTOR. Egan is retained by the District only for the purposes of and to the extent set forth in this Agreement and Egan's relationship to the District, shall, during the term of this agreement, be that of an independent contractor. Under no circumstances shall Egan look to the District as his employer, or as a partner, agent, or principal. Egan shall not be entitled to any benefits accorded to the District's employees, including workers' compensation, disability insurance, vacation, or sick pay. Egan shall be responsible for providing, at Egan's expense, and in Egan's name, disability, workers' compensation, or other insurance as well as any licenses or permits usual or necessary for performance of the services

Egan renders. Egan may use any employees or subcontractors as Egan deems necessary to perform the services required of Egan by this Agreement and Egan shall be solely responsible for the compensation of such employees or subcontractors. The District shall not control, direct, or supervise Egan's employees or subcontractors in the performance of those services.

Egan shall pay, when and as due, any and all taxes incurred as a result of Egan's compensation, including estimated taxes, and shall provide the District with proof of payment on demand. Egan shall indemnify the District for any claims, losses, costs, fees, liabilities, damages, or injuries suffered by the District arising out of Egan's failure to pay any and all taxes due. This engagement is for an unspecified period of time and subject to termination as allowed by law or as set forth herein.

2. **DUTIES AND OBLIGATIONS OF FINANCIAL ADVISOR.** As the Financial Advisor to the District, Egan shall regularly perform certain duties and functions on a monthly basis, others on a quarterly or annual basis, and as requested by the Board of Directors. Though he is engaged directly by the Board of Directors, Egan shall regularly report to the District's Finance Committee (a standing committee established by the Board of Directors) and coordinate his services with and through the General Manager. The services and duties to be provided by Egan are as follows:

Monthly Services and Duties

1. Prepare 12-month cash-flow projections and cash and investment reports for the Finance Committee;
2. Monitor and report to the Finance Committee on intra-district loans and the State Water Project transactions; and
3. Attend all Finance Committee meetings unless the committee Chairperson specifies otherwise.

Quarterly Services and Duties

Prepare quarterly assessment of District finances.

Annual Services and Duties

1. Prepare annual State Water Project assessment rate calculations and make recommendations regarding the same; and
2. Prepare the annual State Controller report.

Services and Duties as Requested by Board of Directors

1. Provide recommendations on investments, project financings and rate settings as requested by the Board of Directors or the Finance Committee;
 2. Participate as a member of the District's financing team on any debt issuance contemplated by the District;
 3. Prepare monthly recurring entries and assist as needed on other accounting issues;
 4. Assist on the preparation of the annual budget;
 5. Assist in the preparation and conduct of the annual audit, including appropriate footnote disclosure; and
 6. Such other services and duties as may be requested by the Board of Directors.
3. **COMPENSATION.** Egan shall be compensated for his services on an hourly basis. Commencing with the effective date of this Agreement, his hourly rate for the services described above shall be \$225.00, which rate shall be subject to adjustment at the discretion of the District, but only if, in the opinion of the Board of Directors, Egan's performance has been satisfactory, as determined by the evaluation to be conducted in accordance with Section 5, below.

4. DUTIES AND OBLIGATIONS OF DISTRICT. The District shall provide Egan with an annual performance review, the compensation set forth above, and any expense reimbursements approved in advance by the Board of Directors.

5. ANNUAL REVIEW. The Board of Directors of the District shall conduct an annual evaluation of Egan's performance either by the full Board or by the Finance Committee. At a minimum, the evaluation shall consist of a conference with the Financial Advisor to review his performance. This performance evaluation shall occur during the months of January or February of each year this Agreement is in effect.

6. TERMINATION OF AGREEMENT.

A. This Agreement shall terminate on the death of the Financial Advisor. In addition, this Agreement may be terminated by Egan at any time, without cause, upon no less than 60 days' prior written notice to the District. The Financial Advisor shall be entitled to compensation to and through the effective date of termination, but shall not be entitled to any additional compensation.

B. The District may terminate the Financial Advisor's services and thereby terminate this Agreement, at any time, with or without cause, upon no less than 30 days' prior written notice to the Financial Advisor.

7. GENERAL PROVISIONS.

A. This Agreement constitutes the entire agreement between the parties. No amendments to this Agreement may be made except by a writing signed by both parties.

B. The validity, interpretation, performance and effect of this Agreement shall be construed in accordance with the laws of the State of California.

C. Any notice or communication required or permitted to be given under this Agreement shall be effective when deposited, postage prepaid, in the United States Mail. Any notice shall be addressed as follows:

Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Notice to the Financial Advisor shall be addressed to his last-known address as reflected on the records of the District.

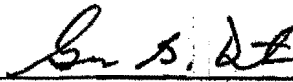
D. If any provisions of this Agreement are held invalid and unenforceable, the remainder of this Agreement shall nevertheless remain in full force and effect.


E. The failure of either party to insist on strict compliance with any of the terms, covenants or conditions of this Agreement by either party shall not be deemed as a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other time.

F. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which the party may be entitled.

IN WITNESS WHEREOF, the parties have executed this INDEPENDENT CONTRACTOR AGREEMENT as of the date first hereinabove written.

PALMDALE WATER DISTRICT

By: 
Gordon G. Dexter, President


ROBERT M. EGAN