



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, SENEAL, GOSNEY & KRUSE LLP
Attorneys



August 2, 2012

***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, August 8, 2012
7:00 p.m.***

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 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) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) No presentations scheduled.

- 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 July 25, 2012.
 - 6.2) Approval of minutes of Finance Committee meeting held November 21, 2011.
 - 6.3) Payment of bills for August 8, 2012.
 - 6.4) Approval of Semi-Annual Employee Reimbursement Report. (Finance Manager/CFO Williams)
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on Ernst & Young 2012/2013 State Water Project Audit Contract. (\$4,805.00 - \$6,006.00 – Budgeted – General Manager LaMoreaux)
 - 7.2) Consideration and possible action on setting Palmdale Water District's assessment rates for fiscal year 2012-13 and adoption of Resolution No. 12-11 regarding said rates. (Financial Advisor Egan)
 - 7.3) Consideration and possible action on voluntary compliance with the Brown Act. (President Dexter)
 - 7.4) Consideration and possible action on District hiring and salary practices, including the current hiring freeze. (Director Dizmang)
 - 7.5) Consideration and possible action on Board approval of consulting agreements and staff attendance at conferences, seminars, and off-site training sessions. (Director Dizmang)
 - 7.6) Consideration and possible action on Board attendance at conferences, seminars, and training sessions as follows:
 - 7.6.1) 2012 California Special Districts Association's Annual Conference & Exhibitor Showcase to be held September 21 – 27, 2012 in San Diego.
- 8) Information Items:
 - 8.1) Reports of Directors: Meetings, Committee meetings, and general report.
 - 8.2) Report of General Manager.
 - 8.2.1) Status report on new customer service information software. (Finance Manager/CFO Williams)
 - 8.2.2) Status report on progress by Capitol Dynamics.
 - 8.2.3) Status report on low income assistance.
 - 8.3) Report of Attorney.
- 9) Public comments on closed session agenda matters.

- 10) Closed session under:
 - 10.1) Government Code Section 54956.9(a), existing litigation: *Antelope Valley Ground Water Cases*.
 - 10.2) Government Code Section 54956.9(a), existing litigation: *City of Palmdale vs. Palmdale Water District, Case No. BC413432 (Rate Litigation)*.
 - 10.3) Government Code Section 54956.9(a), existing litigation: *City of Palmdale vs. Palmdale Water District and Palmdale Water District Public Facilities Corporation, Case No. BC413907 (Validation Action)*.
 - 10.4) Government Code Section 54956.9(a), existing litigation: *Palmdale Water District vs. City of Palmdale, Case No. BC420492 (Recycled Water Litigation)*.
 - 10.5) Government Code Section 54956.9(a), existing litigation: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California Case No. ED CV06-0055-GW*.
 - 10.6) Government Code Section 54956.9(a), pending litigation: *Central Delta Water Agency vs. Department of Water Resources, Sacramento Superior Court Case No. 34-2010-80000561*.
- 11) Public report of any action taken in closed session.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



MICHAEL WILLIAMS,
Finance Manager/CFO

DDL/MAW/dd

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: August 1, 2012 August 8, 2012
TO: BOARD OF DIRECTORS Board Meeting
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION
ON ERNST & YOUNG 2012/13 STATE WATER PROJECT AUDIT
CONTRACT*

Recommendation:

Staff recommends approval of the agreement with Ernst & Young for State Water Project auditing services for the fiscal year 2012/13 in the not-to-exceed amount of \$6,006.00.

Background:

The Palmdale Water District is a member of the State Water Contractors Independent Audit Association (IAA). The IAA hires an accounting/auditing firm on an annual basis to review the billings and financial statements prepared by the Department of Water Resources for State Water Project costs. The District has participated in these activities for a number of years, and the benefits from the discrepancies uncovered have always been more than the costs to perform the activities.

The cost to the District will range from \$4,805.00 to \$6,006.00 depending upon how many members of the IAA renew their agreement with Ernst & Young.

Strategic Plan Element:

The specific element of the Strategic Plan addressed is Strategic Element 6.0 – Financial Management. The objective in financial planning is to manage public funds to assure financial stability and demonstrate responsible stewardship. PWD will assure that financial resources are available to fund current and future demands.

Budget:

The Auditing services covered by this agreement are covered under Administration budget line item 1-02-4150-000 – Accounting Services.

Supporting Documents:

- Ernst & Young Agreement for FY 2012/13
- Ernst & Young Executive Summary of 2011 Procedures



13846 Conference Center Drive ♦ Apple Valley, California 92307
Phone (760) 946-7000 ♦ Fax (760) 240-2642 ♦ www.mojavewater.org

RECEIVED

JUL 30 2012

INDEPENDENT AUDIT ASSOCIATION

MEMORANDUM

Date: July 25, 2012
To: Members of the Independent Audit Association (IAA)
From: Kathy Cortner (Mojave Water Agency)
Subject: Ernst & Young 2012/2013 State Water Project Audit Contract – Recommended Approval and Execution

Enclosed is the 2012/2013 Audit Contract from Ernst & Young. This year the IAA Working Group spent considerable time issuing an RFP for these audit services and evaluating the services we would like to see in an audit. While only Ernst & Young responded to the RFP, the IAA Working Group is recommending the continuation of services with them. Ernst & Young has the expertise and experience that is needed for the unique type of services requested.

The RFP process also allowed the IAA Working Group to refine the processes and procedures with Ernst & Young, which is reflected in the attached Audit Contract. You may note that this contract is slightly different from 2011/2012. Some highlights of the changes are:

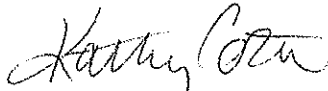
1. Modified the overall format to provide for General Contract Terms separate from the Scope of Work. This Master Contract will only need to be signed once. Each year Contractors will continue to authorize work on an annual basis.
2. Exhibits A & B were combined to show the total dollar amount by contractor.
3. The Statement of Work has been modified to better explain to the contractors the areas of risk to be reviewed and the areas of focus under each identified risk area. This list was developed by Ernst & Young based on their in depth knowledge and understanding of high risk areas for error within DWR. The IAA Working Group reviewed and approved the planned work.
4. Ernst & Young offered a reduced price for the next two years. This results in a reduction in overall cost of approximately \$90,000 this year over the cost last year.

The IAA Working Group will continue to meet with Ernst & Young regularly during the audit year to review the work and guide the audit process.

Exhibit B (used to be Exhibit C) remains at \$50,000 and is only billed by Ernst & Young if additional work is reviewed and approved by the IAA. Exhibit C allows individual IAA Members to request Ernst & Young to undertake additional auditing services not included in the master contract.

The IAA Negotiating Committee recommends that the IAA Members approve and execute the Ernst & Young 2012/2013 Audit Contract.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kathy Cortner".

Kathy Cortner
Chief Financial Officer

CC: Rick Shunn, E&Y LLP

July 27, 2012

Mr. Dennis Lamoreaux
Palmdale Water District
2029 East Avenue "Q"
Palmdale, California 93550

Dear Mr. Lamoreaux:

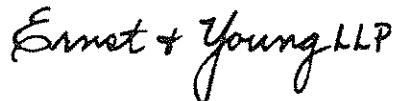
Thank you for choosing Ernst & Young LLP ("we" or "EY") to perform professional services (the "Services") for Palmdale Water District ("you" or "Client"). We appreciate the opportunity to assist you and look forward to working with you.

For each project that we agree to undertake for you, we will prepare a Statement of Work describing the particular Services, as well as any advice, presentations, or filings to be made, our fees therefore, and any other project-specific arrangements. All of the Services will be subject to the terms and conditions of this letter, its attachments, including the General Terms and Conditions, and the applicable Statement of Work (together, this "Agreement"). Except for a claim seeking solely injunctive relief, any dispute or claim arising out of or relating to this Agreement, the Services or any other services provided by us or on our behalf to you shall be resolved by mediation and arbitration as set forth in this Agreement.

We may enter into Statements of Work with you for a period of five years following the date of this letter, although we may agree with you to extend that period, including by executing additional Statements of Work referencing this Agreement.

Please sign this letter and the attached Statement of Work in the space provided to indicate your agreement with these arrangements and return both this letter and Statement of Work to Darin Carlsen at the address provided above at your earliest convenience. If you have any questions about any of these materials, please do not hesitate to contact Darin Carlsen at (916) 218-1918 so that we can address any issues you identify before we begin to provide any Services.

Very truly yours,

A handwritten signature in cursive script that reads 'Ernst & Young LLP'.

AGREED:

Palmdale Water District

Signature

Printed Name

Title

Address

Date

General Terms and Conditions

Our relationship with you

1. We will perform the Services in accordance with applicable professional standards, including those established by the American Institute of Certified Public Accountants ("AICPA").
2. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate legal entity.
3. We will provide the Services to you as an independent contractor and not as your employee, agent, partner or joint venturer. Neither you nor we have any right, power or authority to bind the other.
4. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Reports (as defined in Section 11), the performance of the Services, and our other obligations under this Agreement. From time to time, non-CPA personnel may perform the Services.
5. We will not assume any of your management responsibilities in connection with the Services. We will not be responsible for the use or implementation of the output of the Services, although we may otherwise provide advice and recommendations to assist you in your management functions and making decisions.

Your responsibilities

6. You shall assign a qualified person to oversee the Services. You are responsible for all management decisions relating to the Services, the use or implementation of the output of the Services and for determining whether the Services are appropriate for your purposes.
7. You shall provide (or cause others to provide) to us, promptly, the information, resources and assistance (including access to records, systems, premises and people) that we reasonably require to perform the Services.
8. To the best of your knowledge, all information provided by you or on your behalf ("Client Information") will be accurate and complete in all material respects. The provision of Client Information to us will not infringe any copyright or other third-party rights.
9. We will rely on Client Information made available to us and, unless we expressly agree otherwise, will have no responsibility to evaluate or verify it.

10. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our Reports

11. Any information, advice, recommendations or other content of any reports, presentations or other communications we provide under this Agreement ("Reports"), other than Client Information, are for your internal use only (consistent with the purpose of the particular Services).
12. You may not disclose a Report (or any portion or summary of a Report) externally (including to your affiliates) or refer to us or to any other EY Firm in connection with the Services, except:
 - (a) to your lawyers (subject to these disclosure restrictions), who may review it only to give you advice relating to the Services,
 - (b) to the extent, and for the purposes, required by subpoena or similar legal process (of which you will promptly notify us),
 - (c) to other persons (including your affiliates) with our prior written consent, who have executed an access letter substantially in the form we prescribe and who may use it only as we have specified in our consent, or
 - (d) to the extent it contains Tax Advice, as set forth in Section 13.

If you are permitted to disclose a Report (or a portion thereof) externally, you shall not alter, edit or modify it from the form we provided.

13. You may disclose to anyone a Report (or a portion thereof) solely to the extent that it relates to tax matters, including tax advice, tax opinions, tax returns, or the tax treatment or tax structure of any transaction to which the Services relate ("Tax Advice"). With the exception of tax authorities, you shall inform those to whom you disclose Tax Advice that they may not rely on it for any purpose without our prior written consent.
14. You may incorporate into documents that you intend to disclose externally EY summaries, calculations or tables based on Client Information contained in a Report, but not our recommendations, conclusions or findings. However, you must assume sole responsibility for the contents of those documents and not refer to us or any other EY Firm in connection with them. This provision does not affect your ability to circulate Reports internally.

15. You may not rely on any draft Report. We shall not be required to update any final Report for circumstances of which we become aware, or events occurring, after its delivery.

Limitations

16. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, including any amount for loss of profit, data or goodwill, whether or not the likelihood of such loss or damage was contemplated.
17. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services. This limitation will not apply to losses caused by our fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
18. You shall make any claim relating to the Services or otherwise under this Agreement no later than one year after you became aware (or ought reasonably to have become aware) of the facts giving rise to any alleged such claim and in any event, no later than two years after the completion of the particular Services. This limitation will not apply to the extent prohibited by applicable law or professional regulations.
19. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us. The limitations in Sections 16 through 18 and this Section 19 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Indemnity

20. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates and attorneys) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of the third party's use of or reliance on any Report (including Tax Advice) disclosed to it by you or at your request.

Intellectual property rights

21. We may use data, software, designs, utilities, tools, models, systems and other methodologies and know-how ("Materials") that we own or license in performing the Services. Notwithstanding the delivery of any Reports, we retain all intellectual property rights in the Materials (including any improvements or knowledge developed while performing the Services), and in any working papers compiled in connection with the Services (but not Client Information reflected in them).
22. Upon payment for particular Services and subject to the other terms of this Agreement, you may use the Reports relating to those Services, as well as any Materials owned by us that are included therein, solely to the extent necessary to use the Reports.

Confidentiality

23. Except as otherwise permitted by this Agreement, neither of us may disclose to third parties the contents of this Agreement or any information (other than Tax Advice) provided by or on behalf of the other that ought reasonably to be treated as confidential and/or proprietary. Either of us may, however, disclose such information to the extent that it:
- (a) is or becomes public other than through a breach of this Agreement,
 - (b) is subsequently received by the recipient from a third party who, to the recipient's knowledge, owes no obligation of confidentiality to the disclosing party with respect to that information,
 - (c) was known to the recipient at the time of disclosure or is thereafter created independently,
 - (d) is disclosed as necessary to enforce the recipient's rights under this Agreement, or
 - (e) must be disclosed under applicable law, legal process or professional regulations.
24. Either of us may use electronic media to correspond or transmit information and such use will not in itself constitute a breach of any confidentiality obligations under this Agreement.
25. Unless prohibited by applicable law, we may disclose Client Information to other EY Firms and EY Persons, who may collect, use, transfer, store or otherwise process (collectively, "Process") it to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts, or for quality, risk management or financial accounting purposes.

26. With respect to any Services, if U.S. Securities and Exchange Commission auditor independence requirements apply to the relationship between you or any of your associated entities and any EY Firm, you represent, to the best of your knowledge, as of the date of this Agreement and as of the date of each Statement of Work hereunder, that neither you nor any of your affiliates has agreed, either orally or in writing, with any other advisor to restrict your ability to disclose to anyone the tax treatment or tax structure of any transaction to which the Services relate. An agreement of this kind could impair an EY Firm's independence as to your audit or that of any of your affiliates, or require specific tax disclosures as to those restrictions. Accordingly, you agree that the impact of any such agreement is your responsibility.

Data protection

27. We may Process Client Information that can be linked to specific individuals ("Personal Data"). We may Process Personal Data in various jurisdictions in which we and the other EY Firms (which are listed at www.ey.com) operate to facilitate performance of the Services, to comply with regulatory requirements, to check conflicts or for quality, risk management or financial accounting purposes. We will Process Personal Data in accordance with applicable law and professional regulations, including, where applicable, the European Union Safe Harbor program of the U.S. Department of Commerce, in which EY participates. We will require any service provider that Processes Personal Data on our behalf to adhere to such requirements. If any Client Information is protected health information under the Health Insurance Portability and Accountability Act, as amended, this Agreement is deemed to incorporate all of the terms otherwise required to be included in a business associate contract relating to such information.
28. You warrant that you have the authority to provide the Personal Data to us in connection with the performance of the Services and that the Personal Data provided to us has been Processed in accordance with applicable law.

Fees and expenses generally

29. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the applicable Statement of Work. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of taxes or similar charges, as well as customs, duties or tariffs imposed in respect of the Services, all of which you shall pay (other than taxes imposed on our income generally). Unless otherwise set forth in the applicable Statement of Work, payment is due within 30 days following receipt of each of our invoices. We may receive rebates in connection with certain purchases,

which we use to reduce charges that we would otherwise pass on to you.

30. We may charge additional professional fees if events beyond our control (including your acts or omissions) affect our ability to perform the Services as originally planned or if you ask us to perform additional tasks.
31. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

Force majeure

32. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and termination

33. This Agreement applies to the Services whenever performed (including before the date of this Agreement).
34. This Agreement shall terminate upon the completion of the Services. Either of us may terminate it, or any particular Services, earlier upon 30 days' prior written notice to the other. In addition, we may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
35. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement. Payment is due within 30 days following receipt of our invoice for these amounts.
36. The provisions of this Agreement, including Section 14 and otherwise with respect to Reports, that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement, except that our respective confidentiality obligations (other than those relating to Reports or under Section 14) shall continue thereafter for three years only.

Governing law and dispute resolution

37. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, including (without limitation) claims arising

in tort, fraud, under statute or otherwise relating to the Services, or questions relating to the scope or enforceability of this Section 37, shall be governed by, and construed in accordance with, the laws of New York applicable to agreements made, and fully to be performed, therein by residents thereof. Except as otherwise expressly provided in the Cover Letter, any dispute relating to this Agreement or the Services shall be resolved as set forth in Appendix 1 to these Terms and Conditions.

Miscellaneous

38. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered. In addition, any policy, protocol, agreement (other than this Agreement) or other instrument, in whatever form, imposed at any time that purports to obligate EY, any other EY Firm or any EY Person with respect to the use of Client Information shall be void and of no further effect, and you shall not seek to enforce any such obligation.
39. Both of us may execute this Agreement (including Statements of Work), as well as any modifications thereto, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement or any Statement of Work hereunder.
40. Each of us represents to the other that the person signing this Agreement and any Statement of Work hereunder on its behalf is expressly authorized to execute it and to bind such party to its terms. You also represent that this Agreement has, if necessary, been considered and approved by your Audit Committee. You represent that your affiliates and any others for whom Services are performed shall be bound by the terms of this Agreement.
41. You agree that we and the other EY Firms may, subject to professional obligations, act for other clients, including your competitors.
42. Neither of us may assign any of our rights, obligations or claims under this Agreement.
43. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
44. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Cover Letter, (b) the applicable Statement of Work and any attachments thereto, (c)

these General Terms and Conditions, and (d) other attachments to this Agreement.

45. Neither of us may use or reference the other's name, logo or trademarks publically without the other's prior written consent, although we may publically identify you as a client in connection with specific Services or generally.
46. For administrative reasons, you may from time to time ask that fees and expenses for Services performed for your international affiliates or at international locations be invoiced to you or your designate there, in local currency. You guarantee the timely payment of all those invoices by your affiliates. In addition, from time to time, an affiliate of ours, providing Services as a subcontractor to us, may bill you directly for fees incurred for work outside the US, in local currency or otherwise.

Appendix 1

Dispute resolution procedures

Mediation

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention and Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties and must confirm in writing that he or she is not, and will not become during the term of the mediation, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

Arbitration

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures and has confirmed in writing that he or she is not, and will not become during the term of the arbitration, an employee, partner, executive officer, director, or substantial equity owner of any EY audit client.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort or to make an award or impose a remedy that (i) is inconsistent with the agreement to which these procedures are attached or any other agreement relevant to the dispute, or (ii) could not be made or imposed by a court deciding the matter in the same jurisdiction. In deciding the dispute, the arbitration panel shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, and shall have no power to decide the dispute in any manner not consistent with such limitations period.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.

Statement of Work

This Statement of Work with the attached Exhibits, dated July 27, 2012 (this "SOW") is made by Ernst & Young LLP ("we" or "EY") and Palmdale Water District on behalf of itself ("you" or "Client"), pursuant to the Agreement, dated July 27, 2012 (the "Agreement"), between EY and Palmdale Water District (the "Agency").

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the advisory services covered by this SOW and not to services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated July 27, 2012. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the MSA, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of services

This SOW sets forth the terms and conditions on which EY will perform certain professional services as described in Exhibit A (the "Services") for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2013. Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Ms. Kathy Cortner of the IAA Audit Contract Negotiating Committee dated July 25, 2012.

Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts. Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume

any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the MSA.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Fees and billing

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The total fees for these Services to be rendered to the Agency, as well as an allocation of the total fees for each member agency of the IAA, appear in Exhibits A and B attached (no procedures or fees have been allocated to Exhibit B in this contract). Our total fees pursuant to Exhibit A to be charged to all members of the IAA entering into agreements with us shall not exceed \$360,000 for the twelve months ending June 30, 2013. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA agencies enter into agreements with us for such Services whose combined allocated fee would represent not less than 80% of \$360,000 based on the 100% participation fee allocation (see column 2 at A-4). If all agencies who are presently participating in the Services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our Services to your Agency will not exceed \$4,805 for Exhibit A. However, if not all of the participating agencies enter into agreements with us for services during the twelve-month period ending June 30, 2013, the maximum fees to your Agency will vary between the above-mentioned amount and \$6,006, which represents the maximum fees should sufficient agencies enter into agreements with us with a combined allocated fee of not less than 80%, as stated above.

In addition to the maximum fees under Exhibit A, maximum fees under Exhibit B shall not exceed a total of \$50,000 or \$667 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit B. Prior to any expenditures under Exhibit B, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit B projects could include procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A. In prior years Exhibit B special projects have included projects such as assessing implementation and billing issues relating to the new SAP-based Cost Allocation and Repayment Analysis System ("CARA"), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.

We have also included Exhibit C as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for additional services with EY. There are currently no fees related to Exhibit C included herein.

The results of our procedures will include a presentation of our findings, observations and recommendations to be held in Sacramento, California for any interested Contractors. Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit C and will be paid for by that Contractor.

Invoices for time and expenses will be billed monthly and are due 30 days from receipt.

In witness whereof, the parties have executed this SOW as of the date set forth above.

Palmdale Water District

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Printed Name

Darin Carlsen

Printed Name

Title

Partner

Title

Address

Ernst & Young LLP
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Address

Date

July 27, 2012

Date

EXHIBIT A

I. SCOPE OF ENGAGEMENT

A-1 EY will work with the IAA, the State Water Contractors (SWC) Audit/Finance Committee, and any subcommittees thereof, and the Department of Water Resources (the "Department") during the twelve months ending June 30, 2013 relating to matters currently being discussed between the SWC and the Department.

EY's Services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. These Services shall include:

1. Completion of the 2012/2013 procedures as outlined further below
2. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
3. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas.
4. Review of reports and other documents prepared by the Department and disseminated at these meetings.
5. Submit an annual report to each agency setting forth the findings, comments, and recommendations related to our Services.

During the twelve months ending June 30, 2013, the Services will include the following procedures.

2012/2013 Procedures

The procedures for the fiscal year ended June 30, 2013 were designed using estimated budgeted hours of 3,000. We will perform all procedures included in items 1-6 below. We will perform procedures in items 7-8 if time permits. As a part of these procedures, we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit an annual report to each agency setting forth the findings, observations, and recommendations related to our Services.

The following items represent the risks, risk factors, and procedures requested and determined by the Independent Audit Association (IAA) for the State Water Contractors (the Contractors) to be performed for the 2013 Statement of Charges (SOC) engagement:

Primary Procedures (Items 1-6)

1. New and Changed Master Data

Risks:

- Incorrect allocation of costs (based on functional area selected).
- Incorrect recovery of costs (recovery determines Statement of Charges component).
- Incorrect funding source is used (capital fund versus operating funds).

Risk Factors:

- Lack of review by SWPAO.
- Potential impact (initial setup of master data determines posting of costs in future periods).
- Project Managers' possible lack of understanding of allocation cycle when allocating costs.
- Lack of communication between Project Manager and SWPAO.

Areas of Focus:

- Use SAP to determine functional areas created and changed in the current year.
- Determine how costs are being allocated among and recovered from Contractors.
- Based on activities being performed and the analysis of costs posted to IO or WBS, determine if functional area, recovery, and funding are appropriate.

2. Alpha Allocation Cycles

Risk:

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

Risk Factors:

- Potential for outdated alpha cycles and/or project activities have changed.
- Potential impact (\$167 million allocated by alpha cycle for 2010).
- Project Managers possible lack of understanding of allocation cycle when choosing how project costs will be allocated.
- Lack of communication between Project Managers and SWPAO.
- Current changes/updates that are being made by DWR.

Areas of Focus:

- Examine all Cost Centers from SAP to determine which Cost Centers represent alpha costs centers.
- Select alpha cycles with the largest total annual costs for testing.
- Review costs being posted to selected alpha cost centers for reasonableness based on activities charged to the cost center through examination of invoices posted and discussions with the project managers, as necessary.

3. Delta Water Rate

Risk:

- Costs or credits in the Delta Water Rate may be inappropriate, incomplete or miscalculated.

Risk Factors:

- Calculation of the Delta Water Rate is a manual process.
- Reclassifications that occur can lead to double counting of costs.
- Magnitude of potential impact (Delta Water Rate represents large portion of costs).
- Charges highly impacted by future estimates which are subjective and judgmental.
- Misallocation of costs/credits between the Delta Water Rate and the Variable OMP&R.

Areas of Focus:

- Recalculate the Delta Water Rate used in the Statement of Charges.
- For prior year actual costs included in the calculation, compare costs in SAP to the Department's calculation and investigate variances over \$100K.
- Obtain an understanding of future estimates included in the calculation and perform appropriate procedures to test the reasonableness of such estimates.
- Perform a fluctuation analysis of the Delta Water Rate calculation to prior years.
- Test the Hyatt-Thermalito credit to the Delta Water Rate to ensure it is appropriate.

4. Rate Management Credits

Risk:

- Rate Management Credits are improperly calculated based on the revenues and expenditures data in the funds available for rate management credits statement prepared by DWR.

Risk Factors:

- Calculation of Rate Management Credits is a manual process.
- Lack of review and approval of calculation.
- Outdated information used to calculate credits due to the Contractors.

Areas of Focus:

- Obtain the rate management allocation schedule used for the 2012 Statement of Charges Rebill and review the allocation methodology for sample selected.
- Obtain the most recent funds available data schedule for the rate management credits and perform detailed testing of a sample of the largest amounts.
- Compare the figures selected for testing to the future forecasts, and investigate any significant differences.

5. System Power Costs – Variable Transportation

Risk:

- Incorrect Contractor charged and/or incorrect allocation of costs between Contractors.

Risk Factors:

- Calculation of power allocation factors is a manual process.
- Contractors' total water deliveries, which are the basis of power usage, are preliminary amounts.
- Invoices are improperly allocated to system power costs.
- Lack of controls in reconciling information to SAP.
- Prior/current year costs are not "settled" until current/subsequent year(s).

Areas of Focus:

- Vouch power costs and power revenues from SAP greater than \$500K and test the appropriate classification of costs.
- Reconcile the 2011 PALPOC to UCABS-SAP. Recalculate appropriate inputs to the 2011 PALPOC (e.g., VORG credits, direct-to-plant transmission, etc.).
- Recalculate the 2011 calendar year power allocation factors used in UCABS-SAP to allocate net power costs.
- Recalculate the billed amounts for the transportation variable cost components for 2011 for the five Contractors selected (to be provided by the IAA).

6. Statement of Charges (SOC) Testing

Risk:

- Incorrect amounts billed to Contractors for each component by DWR.

Risk Factor:

- Statement of Charges do not reflect amounts billed by the Department causing incorrect billings during the charge year.

Areas of Focus:

- Determine that all SOC amounts are internally consistent and agree to the Bulletin 132-12 for five Contractors selected for testing (to be provided by the IAA).
- Agree the debt service amounts in the SOC Attachments to the Water System Revenue Bonds (WSRB) schedule.
- Test the BDCP charges added to the Contractors' minimum components.
- Comparison of the current year SOC Attachments to the prior year SOC Attachments.
- Reasonableness of manual adjustments.

Other Procedures (Items 7-8)

These procedures will only be performed as time permits after completion of items 1-6 above and consideration of the estimated 3,000 hour time budget.

7. Off-Aqueduct Power (OAP) Facilities Testing*Risk:*

- Incorrect allocation of OAP costs billed to Contractors by DWR.

Risk Factors:

- OAP charges do not reflect expenses incurred or revenues recognized by the Department causing incorrect billings.
- Incorrect allocation factors result in improper allocation of OAP charges among the Contractors by the Department causing incorrect billings.
- Incorrect allocation of Reid Gardner Unit 4 Closure costs.
- Untimely submittal of prior/current year Reid Gardner Unit 4 costs by Nevada Energy.

Areas of Focus:

- Test the calculation used to allocate the 2010, 2011, and 2012 OAP facilities charges to Contractors.
- Verify that the appropriate billings and/or refunds have taken place (or were included as part of the Contractors' SOC) based on scheduled reallocation of OAP facility charges.
- Perform a reconciliation of costs per the Year-End Allocation of 2010 and Preliminary Year-End Allocation of 2011 OAP charges to SAP.

8. Payment Testing*Risk:*

- Contractor records do not reconcile to DWR records.

Risk Factor:

- Statement of Charges do not reflect actual payments received by the Department causing incorrect billings in future years.

Areas of Focus:

- Compare the 2011 payments for a sample of Contractors to DWR records.
- Investigate all variances.

II. FEES FOR EY SERVICES

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$360,000 (or 3,000 hours), including reasonable and necessary out-of-pocket expenses, which represent an estimated 3,000 hours to be incurred.

III. ALLOCATION OF FEES

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with prior years.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

- A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each agency in conformity with the methodology set forth in paragraph A-3 is shown below:

Agency	Maximum fee for each agency, provided all agencies listed below enter into agreements with EY	Maximum fee for each agency, provided 80% of agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 18,185	\$ 22,731	5.1%
Alameda County Water District	9,474	11,842	2.6
Antelope Valley-East Kern Water Agency	31,894	39,867	8.8
Casitas Municipal Water District	4,511	5,639	1.3
Castaic Lake Water Agency	21,473	26,842	6.0
City of Yuba City	2,165	2,707	0.6
Coachella Valley Water District	31,206	39,007	8.6
County of Kings	2,099	2,624	0.6
Crestline-Lake Arrowhead Water Agency	1,308	1,635	0.4
Desert Water Agency	12,575	15,719	3.5
Dudley Ridge Water District	11,355	14,194	3.2
Empire West Side Irrigation District	677	846	0.2
Kern County Water Agency	90,000	112,500	25.0
Littlerock Creek Irrigation District	519	648	0.1
Mojave Water Agency	18,676	23,345	5.2
Napa County Flood Control and Water Conservation District	6,547	8,184	1.8
Palmdale Water District	4,805	6,006	1.3
San Bernardino Valley Municipal Water District	23,143	28,928	6.4
San Gabriel Valley Municipal Water District	6,496	8,120	1.8
San Geronio Pass Water Agency	3,902	4,878	1.1
San Luis Obispo County Flood Control and Water Conservation District	5,639	7,049	1.6
Santa Clara Valley Water District	22,556	28,194	6.2
Solano County Water Agency	10,738	13,423	3.0
Tulare Lake Basin Water Storage District	<u>20,057</u>	25,072	<u>5.6</u>
Total	<u>\$ 360,000</u>		<u>100%</u>

EXHIBIT B**I. OTHER CONSULTING SERVICES**

EY shall, during the twelve months ending June 30, 2013, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit B projects could include in depth procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A.

Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in the Exhibit A allocation, and 3) shall not exceed \$50,000, which represents an estimated 420 hours to be incurred, unless agreed to by the IAA, for the year ended June 30, 2013. Any part of the \$50,000 which is unused shall not be billed.

Agency	Maximum fee for each agency, provided all agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No.7	\$ 2,526	5.1%
Alameda County Water District	1,316	2.6
Antelope Valley-East Kern Water Agency	4,429	8.8
Casitas Municipal Water District	627	1.3
Castaic Lake Water Agency	2,982	6.0
City of Yuba City	301	0.6
Coachella Valley Water District	4,334	8.6
County of Kings	292	0.6
Crestline-Lake Arrowhead Water Agency	182	0.4
Desert Water Agency	1,747	3.5
Dudley Ridge Water District	1,577	3.2
Empire West Side Irrigation District	94	0.2
Kern County Water Agency	12,500	25.0
Littlerock Creek Irrigation District	72	0.1
Mojave Water Agency	2,594	5.2
Napa County Flood Control and Water Conservation District	909	1.8
Palmdale Water District	667	1.3
San Bernardino Valley Municipal Water District	3,214	6.4
San Gabriel Valley Municipal Water District	902	1.8
San Gorgonio Pass Water Agency	542	1.1
San Luis Obispo County Flood Control and Water Conservation District	783	1.6
Santa Clara Valley Water District	3,133	6.2
Solano County Water Agency	1,491	3.0
Tulare Lake Basin Water Storage District	<u>2,786</u>	<u>5.6</u>
Total	<u>\$ 50,000</u>	<u>100%</u>

EXHIBIT C

I. INDIVIDUAL CONTRACTOR AGREEMENTS

EY may, during the twelve months ending June 30, 2013, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A and B.

The terms and conditions of any procedures performed under Exhibit C, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit C-1. An Exhibit C-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2013 will continue to be in effect.

Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit C will be outside of those referenced in Exhibits A and B, and will be paid for directly by the requesting Contractor.

EXHIBIT C-1**Statement of Work**

This Statement of Work with the attached Exhibit, dated July 27, 2012 (this "SOW") is made by Ernst & Young LLP ("we" or "EY") and Palmdale Water District on behalf of itself ("you" or "Client"), pursuant to the Agreement, dated July 27, 2012 (the "Agreement"), between EY and Palmdale Water District (the "Agency").

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the advisory services covered by this SOW and not to services covered by any other Statement of Work pursuant to the Master Services Agreement (MSA) by and between EY and the Agency dated July 27, 2012. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the MSA, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of Services

This SOW sets forth the terms and conditions on which EY will perform certain professional services as described [INSERT DEFINITION OF SERVICES] (the "Services") for Agency, a member of the State Water Contractors Independent Audit Association (IAA), for the twelve months ending June 30, 2013. Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA).

Your specific obligations

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the MSA, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Where our written consent under the MSA is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY's partners or employees will act as an employee of the Agency.

[illegible]

Additional responsibilities

EY will provide **(insert Contractor)** with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify **(insert Contractor)** in writing of any incremental changes to the original project estimate.

Production of all elements described in the "Project deliverables" section of this SOW is to be included in the cost breakdown under the "Pricing and payment terms" section below, agreed upon by **(insert Contractor)** and EY for this project.

Fees and billing

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact **(insert Contractor)** before performing any additional work.

Out-of-pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due 30 days from receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

Palmdale Water District

Ernst & Young, LLP

Representative

Representative



Signature

Signature

Printed Name

Darin Carlsen

Printed Name

Title

Partner

Title

Address

Ernst & Young LLP
Suite 300
2901 Douglas Boulevard
Roseville, CA 95661

Address

Date

July 27, 2012

Date

EXHIBIT D**FORM OF ACCESS LETTER**

[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]

[Month XX, 20XX]

[Street Address]

[City, State Zip]

Dear [] :

[Client] (the "Client") has informed Ernst & Young LLP ("EY") that it wishes to disclose to [party seeking access] (the "Recipient") EY's [describe report(s)] , dated [] , relating to [describe subject] (the "Report(s)"). EY has not placed any limitations on the Client's ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed advisory services only for the Client. EY did not undertake the services on behalf of, or to serve the needs of, the Recipient or any other third party. EY did not audit the Client's financial statements, nor did it perform any procedures with respect to its financial information, or otherwise for or relating to any period subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[es] only the issues identified by the Client, and [is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [is/are] subject to many limitations and [do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY's prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient's directors, officers or employees or legal advisors who, in each case, need to know its contents in order to _____ , and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the "EY Parties" that relates in any way to the Report(s), any information contained therein, or the Recipient's access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys' fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: _____

SECTION 1

EXECUTIVE SUMMARY OF 2011 PROCEDURES

Section 1 contains a summary of the IAA requested procedures performed in 2011 and the significant findings and observations.

Areas of focus were determined by the IAA as outlined in the Agreement dated July 28, 2011, sent to all participating Contractors. Procedures were focused on items designated as high priority. As a part of these procedures, regular meetings were held with the IAA to discuss progress and any updates or changes to the scope of work. Procedures were performed relating to the following areas:

- A. New and Changed Master Data
- B. Assets Under Construction (AUC)
- C. Distribution of Costs through Alpha Allocation Cycles
- D. Reconciliation of data in the Fiscal Accounting System (PR5) to the Billing System (UCABS)
- E. Project Purpose Allocation-Separation of Cost Remaining Benefit (SCRB)
- F. Proportional Use of Facility Factors (PUFF)
- G. System Power Costs-Variable Transportation
- H. 2012 Statement of Charges (SOC)
- I. Downstream Distribution
- J. Off-Aqueduct Power (OAP) Facilities

Findings and Observations:

New and Changed Master Data

- Finding A.1 page 2-2: 13 newly created State Water Resources Development Systems (SWRDS) cost centers are not being recovered from Contractors. This results in an understatement of charges in the 2012 SOC for the 2010 cost year of \$1.7 million.
- Finding A.2 page 2-4: Creation and change of master data should require at least two signatures. These signatures should include the Project Manager and a Supervisor. Additionally, all newly created functional areas should be reviewed and approved by State Water Project Analysis Office (SWPAO) to ensure consistency in accounting and recovery. The Department explained that this process was updated in March of 2011 to implement the requirement for review and approval by SWPAO prior to master data being updated in the system. As we tested data created and changed in 2010, we were not able to validate the new approval process.

Assets Under Construction (AUC)

- Finding B.1 page 2-6: Functional area WR21113000000000 uses SWRDS commercial paper fund 506311943; however, these costs are not being recovered through a capital component. As this functional area relates to the Delta (whether capital or minimum) it would not have an impact on Contractors' net charges. However, commercial paper should only be used for capital items. Costs from 2000-2010 that posted to this functional area totaled \$8 million.
- Finding B.2 page 2-6: Functional area WR2290FDH9070000 uses SWRDS commercial paper fund 506311943; however, these costs are only being partially recovered through a capital component. This appears to be due to a miscoding of one of the receiving cost centers (2300761000). Although the total costs recorded in this functional area are minor (total costs posted from 2000-2008) \$23 thousand, the Department should revise the system data to avoid a possible material error in the future.
- Finding B.3 page 2-7: Functional area WR23E25403200000 uses SWRDS commercial paper fund 506311943; however, the costs are being recovered through the minimum Delta Water Charge (DWC) and minimum transportation charges. As the material portion of costs appear to relate to the Delta Fish Agreement, which would be categorized as minimum charges, this item would not have an impact on the Contractors' SOC. However, commercial paper should only be used for capital items. Costs from 2000-2010 posted to this functional area totaled \$1.2 million.

Distribution of Costs through Alpha Allocation Cycles

- Page 2-9: Discussion of process and numeric example of costs allocated through alpha cycles.
- Page 2-13: Discussion of the Department's plan to revise alpha cycles.
- Finding C.1 page 2-17: Alpha cost centers are noted by an alpha indicator contained within the cost center description (i.e. 2502FAD908 compared to a non alpha cost center of 2502111308). While determining the amount of 2010 costs included in each alpha cycle cost center, we noted that 13 of the alpha cost centers were not being distributed based on an alpha cycle but rather were mapped direct to delta facilities and therefore included as part of the DWC. To contribute to a universal interpretation of system data, costs designated to an alpha functional area should be allocated based on an alpha cycle. If costs in an alpha cost center should not be subject to an alpha cycle, the cost center should be changed to a numeric cost center and not re-mapped to bypass system guidelines.

- Finding C.2 page 2-20: Alpha allocation cycle SAA923 appears to allocate to inappropriate project purpose cost centers. As costs related to SAA923 appear to be State Water Project (SWP) specific costs these costs should be allocated 100% to Contractors. This would also be consistent with how these costs have been distributed in the past. This resulted in the Contractors being underbilled by \$213 thousand for 2010, which represents the amounts allocated to recreation.
- Finding C.3 page 2-21: Orders included in alpha cost center 2101AAB080 specifically relate to recreation costs. These costs are inappropriately being allocated to the SWP Contractors through the SOC. This resulted in the Contractors being overbilled by \$457 thousand in 2010 and up to \$2.5 million for years 2006-2010. Refer to Table C.5 for impact by Contractor for the five Contractors selected by the IAA for SOC testing.
- Finding C.4 page 2-22: A credit balance in cost center 2301MAD057 for 2010 was primarily due to a reclassification of costs incurred between 2007-2009 from WBS M.7401.4007.120 to order numbers 75000109429 and 75000109423. However, as these costs were incurred from 2007-2009, the reclassification should adjust the years to which the costs relate. Accordingly, 2010 should not be affected by the reclassification of 2007-2009 costs, as allocation factors may differ between years. The correction of this finding would result in a reallocation of costs of \$1.6 million, which would affect both the transportation minimum and conservation minimum components.
- Finding C.5 page 2-26: Order number J10104000605 included in alpha cost center 1101FAD890 relates to the Franks Tract Project Management Project. As Franks Tract has been designated as a suspended project, costs related to Franks Tract Project should not be billed through the SOC. This resulted in Contractors being overbilled by \$44 thousand in 2010. Refer to Table C.7 for allocation by Contractor.
- Finding C.6 page 2-28: Through examination of the order description, costs contained in the largest order included in the cost center, and discussion with various Department personnel, cost center 1101FAD890 appears to include costs that are directly associated to the Delta. Accordingly, these costs should not be allocated based on an indirect alpha allocation cycle, which allocates to both transportation and conservation minimum, but rather should be included as direct to reach at the Delta and billed through the DWC. This would result in the reallocation of \$795 thousand of costs in 2010. Refer to Table C.8 for allocation by Contractor.

- Finding C.7 page 2-30: Costs relating to cost centers allocated based on FAD890 represent non-specific costs to be allocated statewide and therefore should be using the same basis and distribution as FAD908, which allocates to the East Branch Extension and joint project purposes. This would result in a reallocation of \$3 million among Contractors for 2010. Refer to Table C.9 for allocation by Contractor.
- Finding C.8 page 2-32: Order numbers X10123900000 and X10062700000 included in alpha cost centers 2360FAD908 (\$56,390) and 2330FAD890 (\$59,308), respectively, relate to recreation costs. Accordingly, Contractors' minimum transportation and conservation charges are overstated by a total of \$116 thousand for 2010. Refer to Table C.10 for allocation by Contractors.

Reconciliation of data in the Fiscal Accounting System (PR5) to the Billing System (UCABS)

- Finding D.1 page 2-36: A reconciliation of PR5 to UCABS was not performed by the Department for 2010. The Department should perform a reconciliation of PR5 to UCABS data, at least annually, to ensure that the appropriate accounts are being included in UCABS for allocation and billing to Contractors.

Project Purpose Allocation-Separation of Cost Remaining Benefit (SCRB)

- Page 2-38: Observations of note related to the project purpose allocation for the following areas/facilities:
 - Oroville Division
 - Delta Facilities
 - South Bay Aqueduct (SBA)
 - California Aqueduct
 - East Branch Extension (EBX)
 - East Branch Enlargement (EBE)
- Finding E.1 page 2-44: Costs allocated to the EBE have been inappropriately reduced by an amount allocated to recreation in all cost centers that have an allocation between the EBE and the East Branch. Correction of this finding would result in a reallocation of costs from the East Branch Contractors to the EBE Contractors of which the dollar impact was undetermined.

- Finding E.2 page 2-45: A consistent methodology to allocate costs to the EBE has not been applied across the effected reaches. The Department should revisit the methodology and make necessary revisions. Refer to Table E.1 for summary of allocation of minimum costs to the EBE. This has resulted in an understatement of costs billed to the East Branch and EBE Contractors to which the dollar amount was undetermined.

Proportional Use of Facility Factors (PUFF)

- Page 2-45: Discussion of calculation of PUFF and changes due to permanent transfers.

System Power Costs-Variable Transportation

- Finding G.1 page 2-50: The 2010 Power Allocation Table (PAT) was calculated incorrectly.
- Table G.5 page 2-55: Reconciliation of UCABS to Bulletin 132-11, Table B-3 for 2010 variable transportation charges.
- Table G.6 page 2-57: Reconciliation of Bulletin 132-11, Table B-3 to Table B-12 for 2010.
- Table G.7 page 2-58: Reconciliation of Bulletin 132-11, Table B-3 to Table B-18 for 2010.
- Table G.8 page 2-59: Reconciliation of Bulletin 132-11, Table B-3 to Table B-19 for 2010.
- Finding G.2 page 2-60: Gas hedging costs for 2010 are overstated in SAP by \$1.7 million. Per examination of the 2010 data in SAP, we noted that the \$1.7 million related to 2009 Costs. This is consistent with our prior year finding which also identified that \$5.5 million of 2008 costs were recorded in 2009. This results in a misallocation among Contractors and years.
- Finding G.3 page 2-60: O&M costs related to Jeff L. Taylor Pine Flat Power Plant included amounts for the last three quarters of 2010; however, the amount paid for the first quarter of 2010 of \$1.1 million was included in 2009 costs in SAP. This resulted in an understatement of 2010 costs of \$1.1 million with a corresponding overstatement of 2009 costs. This results in a misallocation among Contractors and years.

- Finding G.4 page 2-61: A power credit for one month totaling \$450 thousand related to a 2010 PG&E settlement credit was included in the 2009 Preliminary Allocation of Power Costs (PALPOC) and SAP. This results in a misallocation among Contractors and years in the variable transportation component of the SOC.
- Table G.9 page 2-61: Example of how findings G.1-G.4 affect individual Contractors. We calculated the change in the variable calculated component for five Contractors selected by the IAA.
- Finding G.5 page 2-63: A reconciliation of the 2010 PALPOC to SAP was not performed by the Department. We recommend that the Department reconcile the PALPOC to SAP, at least annually, in order to ensure the data within the PALPOC and SAP is complete and accurate.

2012 Statement of Charges (SOC)

- Finding H.1 page 2-67: The 2006 variable calculated component is overstated by \$3 million due to the Department posting an adjusting entry intended to properly reallocate gas hedging. This entry should have been reversed prior to the issuance of the 2012 SOC.
- Finding H.2 page 2-67: Kern County Water Agency-AG 2009 variable transportation component is understated by \$115 thousand in the 2012 SOC. This was due to 2009 annual deliveries for Kern County Water Agency-AG being miscalculated (understated by 26,174 AF) when the separation of AG and M&I deliveries was revisited by the Department for the 2012 SOC.
- Finding H.3 page 2-70: For the five Contractors selected for SOC testing, differences were noted between the B132-11, Table B-18, *Variable OMP&R Transportation Charge*, and Attachment 4C of the 2012 SOC for years prior to 1998. The 2012 SOC components were not affected and remained the same as prior year. Accordingly, this error seems to be informational only as Table B-18 appears to reflect inaccurate data. Refer to Tables H.6 through H.9 for summary of variances for the Contractors selected for SOC testing.
- Finding H.4 page 2-71: Contractors' capital transportation component reflects manual adjustments related to permanent transfers and relinquished capacity (relinquished capacity affects only Kern County Water Agency and Dudley Ridge Water District transportation capital components for the years 1996-2010). The calculation of all costs should be incorporated into SAP processing to eliminate the use of manually adding costs/credits to a cost component.

- Page 2-71: Summary of Tables in Bulletin 132-11 that are and are not reflective of permanent transfers.
- Finding H.5 page 2-72: Table B-14, *Capital Costs of Transportation Facilities Assigned to Each Contractor*, and Table B-1, *Factors for Distributing Reach Capital Costs among Contractors*, is shown prior to any permanent transfers and other manual adjustments. As a result, Contractors are unable to recalculate their capital cost component with the costs shown in SOC Attachment 3 and those published in the bulletins.
- Page 2-72: Discussion of manual adjustments made to Contractors' transportation minimum components.
- Finding H.6 page 2-75: The 2010 Coastal Reallocation was calculated using 2008 PUFFs rather than 2010 PUFFs. This resulted in an incorrect allocation of costs among Contractors. Refer to Table H.18 for reallocation by Contractor.
- Finding H.7 page 2-77: The DWC is overstated by \$341 thousand. This is due to the reclassification related to relinquished capacity from Kern County and Dudley Ridge Water Agencies being overstated in the DWC from 2008-2035 (i.e. \$29.626 million removed from transportation minimum but \$29.967 million was included in the DWC).
- Finding H.8 page 2-78: Contractors' minimum transportation components reflect manual adjustments related to the following: Bay Delta Conservation Plan (BDCP) (2007-2010), Coastal Reallocation (2000-2010), Municipal Water Quality Investigations (MWQI) (2010), and relinquished capacity (affects only Kern County Water Agency and Dudley Ridge Water District - 1996-2010).

Downstream Distribution

- Finding I.1 page 2-87: Downstream costs of \$81 thousand and \$57 thousand for 2009 and \$122 thousand and \$202 thousand for 2010 which are included in the variable costs for California Aqueduct reach 22B and reach 26A, respectively, are being allocated to the minimum transportation costs of the EBE for reach 22B and reach 26A rather than the minimum transportation costs for California Aqueduct reach 22B and reach 26A. Refer to Table I.8 for impact of this finding by Contractor.

Off-Aqueduct Power (OAP) Facilities

- Finding J.1 page 2-90: OAP charges are misstated for all Contractors for 2009-2012 due to miscalculations contained in the manual allocation schedule of Reid Gardner separation costs. This misallocation will continue through 2013, unless uncorrected.
- Finding J.2 page 2-91: The 2009 Year-End and 2010 Preliminary Allocations of OAP Charges are misallocated due to the Department using improper energy factors for Dudley Ridge (2009), Metropolitan Water District of Southern California (MWDSC) (2009), and San Gabriel Valley (2009 and 2010) in the calculation of the annual energy requirement by Contractor. This results in an incorrect allocation of 2009 and 2010 OAP costs to all Contractors.
- Finding J.3 page 2-92: The 2011 May Allocation of OAP Charges is misallocated as the Department omitted water delivery credits due to Kern County Water Agency-AG and Tulare Lake Basin Water Storage when calculating the total energy requirement for 2011. This results in an incorrect allocation of 2011 OAP costs to all Contractors.
- Table J.2 page 2-93: Displays the impact of findings J.1-J.3 by Contractor.

Based on our 2011 procedures, the following topics were noted as areas of importance and should be considered by Contractors in the future:

1. Authorization and review of new and changed master data
2. Development, review, and retention of support related to alpha allocation factors
3. Allocation of recreation costs
4. Consistency in project purpose allocation methodology
5. Allocation of costs based on service period
6. Downstream allocation to the EBE
7. Manual adjustments made to charges
8. Review of OAP allocation calculations
9. Publication and accuracy of all information used to determine the charges included in Contractors' SOC
10. Accuracy of information included in Bulletin 132

Materials for this agenda item will be hand-delivered, if available, prior to the meeting.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: August 2, 2012 August 8, 2012
TO: BOARD OF DIRECTORS Board Meeting
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.3– CONSIDERATION AND POSSIBLE ACTION
ON VOLUNTARY COMPLIANCE WITH THE BROWN ACT*

Listed below is a breakdown of the District's claim for payment under the Open Meetings Act/Brown Act Reform:

2005/2006	\$ 8,140.00
2006/2007	\$ 8,599.00
2007/2008	\$10,412.00
2008/2009	\$10,996.00
2009/2010	\$11,227.65
2010/2011	\$ 8,617.86

No monies have been received for these claims.

Supporting Documents:

- July 24, 2012 article from Somach Simmons & Dunn regarding "California Budget Language Calls into Question Local Agencies' Mandate to Comply with Certain Provisions of the Brown Act"



SOMACH SIMMONS & DUNN

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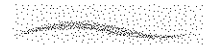
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500 Capitol Mall
Suite 1000
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1130 Connecticut Avenue Suite
300
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California Budget Language Calls into Question Local Agencies' Mandate to Comply with Certain Provisions of the Brown Act
July 24, 2012

by Adam D. Link
alink@somalchlaw.com

On June 27, 2012, Governor Brown signed Assembly Bill 1464, the Budget Act of 2012, into law. Within this Budget there is a provision that could change the way local public entities are required to comply with the Ralph M. Brown Act (Gov. Code, § 54950 et seq.) (hereafter, Brown Act). The Brown Act, also referred to as the Open Meeting Law, is designed to facilitate public participation in local government decision-making by requiring local entities to hold open meetings and take other steps, including the publication of agendas and other notice requirements. Many provisions within the Brown Act have been determined to be reimbursable state mandates by the Commission on State Mandates (Commission), and thus subject to certain California constitutional provisions that require the Legislature to either appropriate that amount for reimbursement to local entities carrying out the law or, in the alternative, suspend the operation of the mandate. In the 2012-2013 Budget, the Legislature and Governor chose to suspend "various mandates, except for most mandates related to law enforcement or property taxes."

In a letter to local agencies, the California Department of Finance identified the specific mandates that were being suspended, and identified "Open Meeting/Brown Act Reform" as one of those mandates, citing the decision of the Commission on State Mandates Nos. CSM-4257 and CSM-4469. Thus, according to some, the new Budget effectively suspends certain provisions in the Brown Act that mandate notice and reporting requirements for meetings, which could have an impact on how local government entities choose to comply with Brown Act mandates in the future.

Background

The Brown Act generally guarantees the public's right to attend and participate in meetings of local legislative bodies, including city councils and the governing boards of various special districts. In addition, provisions within the Brown Act require that the local legislative body give notice of the time and place of a meeting as well as post an agenda that contains a brief general description of each item to be discussed at least 72 hours prior to the meeting. (Gov. Code, §§ 54954, 54954.2.) For closed meetings, the legislative body must reconvene into open session, where it may be required to publically report votes and actions taken. (Gov. Code, § 54957.1.)

The Commission is a quasi-judicial agency that hears test claims from local government entities regarding whether such entities are entitled to reimbursement for increased costs mandated by the state. Based on previous challenges alleging that certain provisions of the Brown Act are reimbursable state mandates, the Commission has determined that certain elements do, in fact, constitute reimbursable state mandates, as described in its decisions CSM-4257 and CSM-4469.

Analysis

Under certain conditions, the state is required to reimburse local agencies and school districts

for the costs of new programs or increased levels of service mandated by state government. The Brown Act explicitly allows for reimbursement for costs that are clearly and unequivocally incurred as the direct and necessary result of compliance with the Act's mandates. (See Gov. Code, § 54954.4.) In addition, the California Constitution requires the Legislature to either fund or suspend mandates in the annual Budget Act. Specifically, The California Constitution states:

Except as provided in paragraph (2), for the 2005-06 fiscal year and every subsequent fiscal year, for a mandate for which the costs of a local government claimant have been determined in a preceding fiscal year to be payable by the State pursuant to law, the Legislature shall either appropriate, in the annual Budget Act, the full payable amount that has not been previously paid, or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable in a manner prescribed by law. (Cal. Const., art. XIII B, § 6, emphasis added.)

This clause requires that local legislative mandates be suspended if the annual Budget Act fails to appropriate funds to repay local governments for costs incurred by complying with such mandates.

While no explicit explanation is provided in the Budget as to which specific provisions of the Brown Act are being suspended, and the Budget does not go into detail regarding the nature or the extent of the suspension, some have inferred that the prior decisions of the Commission on this issue (CSM-4257 and CSM-4469) should serve as a guide. In those decisions, the Commission determined that specified requirements of the Brown Act impose reimbursable mandates on local governments, including the following:

- The requirement to prepare and post an agenda at least 72 hours before a regular meeting containing a brief general description of each item of business to be transacted or discussed at the meeting. (Gov. Code, § 54954.2(a).)
- The requirement to include a brief general description on the agenda of all items to be discussed in closed session. (Gov. Code, § 54954.2(a).)
- The requirement to disclose in an open meeting, prior to holding any closed session, each item to be discussed in the closed session. (Gov. Code, § 54957.7(a).)
- The requirement to reconvene in open session prior to adjournment and report the actions and votes taken in closed session for the items identified in Government Code section 54857.1(a). (Gov. Code, § 54957.7(b).)
- The requirement to provide copies of closed session documents to the public. (Gov. Code, §§ 54957.1(b)-(c).)

These decisions are the basis for the reimbursement requirement under certain provisions of the Brown Act, and thus the reference to these decisions may be an indication that only these requirements have been suspended. Thus, the remainder of the Brown Act would arguably remain in effect except for these specific notice, agenda, and closed session related requirements.

Some critics argue that while the Budget may set the parameters and policy for the Commission on State Mandates, and direct that entity to set the parameters for paying compensation for certain local reimbursements such as agenda preparation and other mandates under the Brown Act, nothing in the Budget itself can (or does) directly revoke, suspend, annul, or invalidate the Brown Act or any portion thereof. Others cite to the provisions of Proposition 59 of 2004, the adopted constitutional Amendment that was designed to protect and enhance the public's right to access the documents and meetings of local government entities. It seems that both of these positions can be harmonized with the suspension of only those portions of the Brown Act deemed state mandates. It is true that nothing in the Budget actually changes or alters the statutory requirements of the Brown Act, and that Proposition 59 (consistent with the Brown Act) continues to exist and continues to promote the right of public access to meetings of government bodies and writings of government officials. The only requirements seemingly suspended by the Budget are the technical requirements related to notice, agenda, and closed session reporting. The public still maintains the right to access documents of local government entities through a Public Records Act request and attend open meetings of the boards of these

entities. Perhaps more importantly, given how ingrained the notice, agenda, and closed session requirements of the Brown Act seem to be in the majority of local governments across the state, it appears likely that most will continue to adhere to these requirements, even if not

state, it appears likely that most will continue to adhere to these requirements, even if not required to do so due to their suspension in the 2012-2013 Budget.

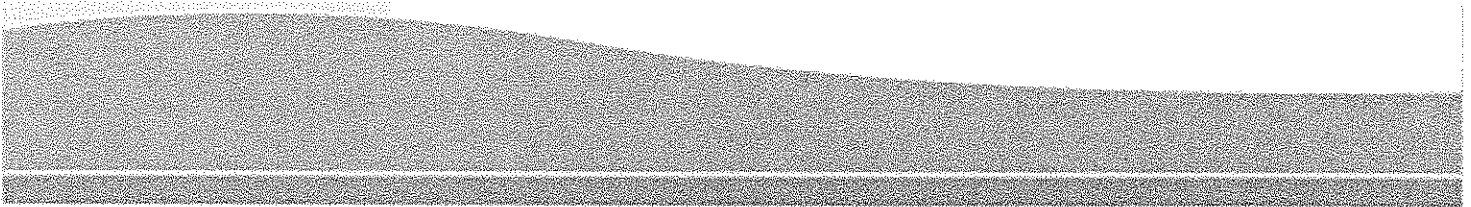
Conclusions and Implications

While the suspension of these Brown Act mandates may be controversial, it remains to be seen whether the new Budget significantly alters the way meetings are conducted going forward. Even though cities and local entities may no longer be required to adhere to the subset of Brown Act requirements highlighted above, many cities have indicated that they would continue to comply with all requirements of the Brown Act regardless of the suspension. The suspension is permissive and does not prohibit those that wish to comply, and thus many local governing bodies will continue to give notice and post agendas, encouraging public involvement. Indeed, such requirements may have become such a fundamental part of the way many local entities operate that changing these norms during the period in which the Brown Act mandates are suspended could be more cumbersome than continued compliance.

For additional information regarding the Brown Act and the changes made in the 2012-2013 Budget, please contact Adam D. Link at alink@somachlaw.com.

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San Diego
SEPTEMBER
21-27, 2012

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The leadership conference for special districts



Who Should Attend?

- Board members – directors and trustees
- General managers
- Department managers and supervisors
- Administrative support staff
- Finance managers
- Board secretaries
- Legal counsel
- Consultants
- Suppliers
- Fire/police chief

SDRMA

SDRMA Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points can be earned based on an Agency's attendance at workshops/sessions noted by "Earn SDRMA CIPs or CIPs".

Join us this year in San Diego's beautiful, historical Gaslamp Quarter for the CSDA Annual Conference and Exhibitor Showcase. The Gaslamp is one of the most popular destinations in San Diego, in a centralized location full of history, culture and endless things to see and do.

The Gaslamp Quarter is the heart of downtown San Diego, comprised of 16 blocks chock full of restaurants, shops and nightlife. The area underwent a massive urban renewal in the 1980s and 90s and is today the entertainment and business hub of the city. Grand Victorian-era buildings are home to more than 100 of the city's finest restaurants, 35 pubs and nightclubs and 100 retail shops, as well as theatres and art galleries.

The location of this year's conference is one that allows attendees to see and experience one of the most popular cities in California while receiving top-of-the-line education, complete with valuable networking opportunities. At this year's conference, attendees will have over 30 education sessions to choose from on a variety of special district issues ranging from governance to human resources to finance and more. Over 50 exhibitors will be in attendance with products and services of use to special districts of all types and sizes. And attendees will benefit from the knowledge of three nationally recognized keynote speakers.

This year's conference will be an event that melds education, networking and the experience of an incredible city. As you go through this brochure, take the time to see what interests you and how you can make the most of the Annual Conference and the incredible location hosting it.

Monday, September 24

9:00 – 11:00 a.m.

Special District Administrator (SDA) Exam
by The Special District Leadership Foundation

9:00 a.m. – 4:00 p.m.

Workshop #1 (Pre-Registration/Payment Required)
**Special District Leadership Academy Module 1:
Governance Foundations**

As the core of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts.

\$225 Member | \$375 Non-member | *Earn SDRMA CIPs*

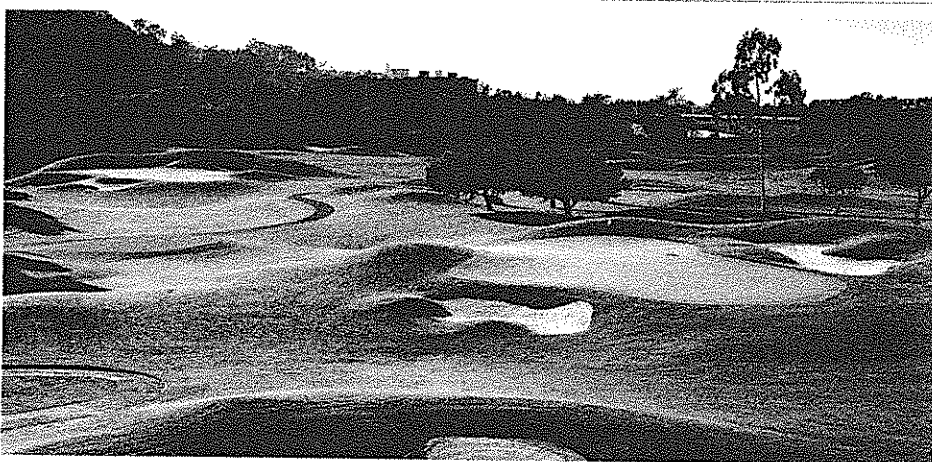


9:00 a.m. – 4:00 p.m.

Workshop #2 (Pre-Registration/Payment Required)
Organizational Assessment and Strategic Planning

In this workshop, attendees will examine six critical areas of good public agency organizational health and how to integrate those areas with long-term strategic planning for special districts.

\$225 Member | \$375 Non-member

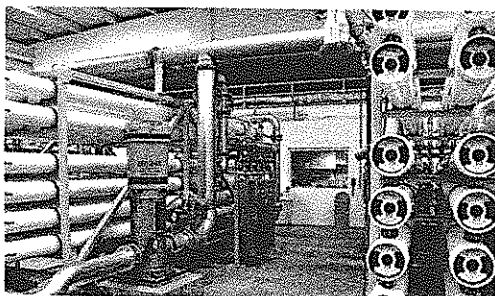


11:00 a.m. – 5:00 p.m.

CSDA Annual Golf Tournament

Riverwalk Golf Club

\$125 includes golf with cart, lunch, and prizes!



1:30 – 3:30 p.m.

Richard A. Reynolds Groundwater Desalination Facility Tour

\$10 per person includes transportation to/from hotel.

ONLY REGISTERED CSDA CONFERENCE ATTENDEES OR REGISTERED GUESTS ARE ELIGIBLE TO ATTEND. REGISTER EARLY, SPACE IS LIMITED.



Yuma Building

One of downtown's first brick structures, the building was first owned by Captain Wilcox, who arrived in San Diego in 1870 at the helm of the U.S. Invincible.

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Joe Barger, Vandenberg Village
Community Services District

Conference Begins!

Monday | 5:30 – 7:30 p.m.
President's Reception with
the Exhibitors

ALL ATTENDEES WELCOME



Tuesday, September 25

7:30 a.m. – 3:00 p.m.

Exhibit Hall Open

7:30 – 8:30 a.m.

Coffee with Exhibitors (Raffle)

9:00 – 10:45 a.m.

Continental Breakfast and Opening Keynote Presentation: J.R. Martinez
 “Plug in to your Potential: Spark Endless Possibilities through Goal-Setting for Yourself and Your District”

11:00 a.m. – 12:15 p.m.

Breakout Sessions

- The Cost of Poor Benefits Plan Design & Some Win-Win Fixes, *Chang, Ruthenberg & Long PC*
- What's New About LAFCo, *CALAFCO*
- Got Work? When Do You Have to Pay for it Under the FLSA?, *Nossaman LLP (CIP)*
- New Developments: The Brown Act and Public Records Act, *Liebert Cassidy Whitmore (CIP)*
- Serving the Public Through Best Board Practices, *BHI Management Consulting (CIP)*
- Measure WW: Lessons in Presenting Successful Ballot Measures, *Communication Advantage*

12:15 – 1:30 p.m.

Lunch on Your Own (exhibit hall open)

1:30 – 3:00 p.m.

Exhibitor Showcase Finale – Dessert/Grand Prizes

3:15 – 4:30 p.m.

Super Session: Barbara Sanfilippo, “Lead in High Definition – Engage Staff, Inspire Leaders, Dream Big!”



Tuesday | 9:00 – 10:45 a.m.

J.R. Martinez

Plug in to your Potential: Spark Endless Possibilities through Goal-Setting for Yourself and Your District

2011 turned out to be a banner year for former “All My Children” star J.R. Martinez. Not only did he and his dance partner Karina Smirnoff take ABC’s “Dancing With The Stars” season 13 coveted mirror ball trophy, he was also named the 2012 Tournament of Roses Grand Marshal. He was on the November 7 cover of *People Magazine*, featured in the Sexiest Man Alive issue and was one of their 25 Most Intriguing People of the year. CSDA is pleased to have him at this year’s conference to inspire and motivate attendees to reach their potential personally and professionally.

Tuesday | 3:15 – 4:30 p.m.

Barbara Sanfilippo

Lead in High Definition – Engage Staff, Inspire Leaders, Dream Big!



Despite the sluggish economy, lean staffing and challenging environment, the good news is we can turn anxiety into action and pessimism into passion—if we focus on what we can control. In this idea-packed and entertaining program, Barb

will share proven and fun ideas to engage employees, improve service, raise performance, be an inspirational coach, and, most of all, help you and your staff embrace a success mindset regardless of circumstances. In this energizing and interactive session you’ll leave inspired and armed with proven ideas to encourage employees.



**A Night of Baseball,
Networking, Food & Fun!**

5:30 – 7:00 p.m.

Tailgate Party with the Exhibitors at Petco Park

7:00 p.m.

Padres VS Dodgers

Join our exhibitors in a unique event at the ballpark! This event begins with a tailgate party reception at the ballpark and then you’ll watch the Padres take on the Dodgers from atop the Western Metal Rooftop Bleachers, an area reserved exclusively for CSDA attendees. Your all-inclusive ticket includes: entry into the game, a pre-game buffet, ballpark snacks, and hosted beverage service (soda & draft beer) for CSDA’s cost of only \$50 per person. Transportation to/from the conference hotel is also included.

OPTIONAL, LIMITED SPACE, REGISTER EARLY!



Petco Park

Petco Park has become a destination and thanks to the Park in the Park and nearby bars and restaurants, game days are festive. This is a good ballpark to walk around during the game and there are plenty of places to stand. The Padres even provide railings for food and drink on their lower level concourse, which has views of the playing field. San Diego may be a laid back town but the crowd gets into the game, especially when their fiercest rival, the Dodgers, are in town.

Wednesday, September 26

8:30 – 9:00 a.m.

SDRMA Sponsored Full Plated Breakfast ALL ATTENDEES & Sponsors Welcome

9:00 – 10:45 a.m.

SDRMA General Session, Safety Awards, Keynote

Keynote by Jeff Havens: "Becoming a More Annoying You"


11:00 a.m. – 12:00 p.m.

Breakouts

- Cost Saving Early Retirement Incentives, *PARS*
- The Nurse Will Listen to You Now, *SDRMA/Company Nurse (CIP)*
- There's an App for That!, *SDRMA/TargetSolutions (CIP)*
- AB1234 Required Ethics Training (part 1 of 2, must attend both sessions for credit), *Meyers Nave (CIP)*
- The Alternative Workforce – Independent Contractors, Retired Annuitants, and Volunteers, *Kronick Moskovitz Tiedemann & Girard*
- How to Avoid Disability Discrimination Claims in the Workplace, *Best, Best & Krieger (CIP)*
- CSDA Finance Corporation Board and Annual Meeting

12:00 – 1:30 p.m.

CSDA Annual Awards Luncheon

Join us as we celebrate the best of special districts with awards including: Board President of the Year, General Manager of the Year, the prestigious William Hollingsworth Award of Excellence and more!  ALL ATTENDEES WELCOME

1:45 – 2:45 p.m.

Breakouts

- SDRMA – Pool Coverage – Do I Need a Life Vest?, *SDRMA (CIP)*
- Building a Positive Working Relationship with Your Governing Body, *Liebert Cassidy Whitmore (CIP)*
- Assessing Your Organization for Efficiency, *BHI Management Consulting*
- AB1234 Required Ethics Training (part 2), *Meyers Nave*
- Streamlining Payment Processes for Local Government, *Bank of the West*
- Strategic Performance Management: Using Logic Models to Drive Results, *CPS HR Consulting*

3:00 – 4:30 p.m.

Breakouts

- Can I Accept That Gift? What you need to know about the updated FPCC Gift Regulations, *Meyers Nave*
- Capital Funding in the Wake of the Great Recession, *CSDA Finance Corporation*
- Rate Rollback: Proposition 218 and Initiative Measures, *Kronick Moskovitz Tiedemann & Girard and Foresthill Public Utility District*
- Revenues – Where's the Fire?! Where's the Water?!, *NBS*
- A-B-CEQA, *Bergman Dacey Goldsmith*
- An Update on ABx1 26 (RDA Dissolution) – Is It Working?, *Lewis, Brisbois, Bisgaard & Smith*

5:30 – 7:30 p.m.

Taste of the City Reception

From San Diego's "Little Italy" to fresh seafood to the influence of the Mexican culture on San Diego's cuisine, join us for an evening of food tasting inspired by the city of San Diego.

Attendees at this reception will have the opportunity to participate in the Special District Leadership Foundation (SDLF) silent auction to raise funds for scholarships for the Special District Leadership Academy programs. A special wine raffle will also be held at 7:00 p.m. Be sure to purchase tickets throughout the conference for the chance to win a deluxe 35 bottle wine cellar fully stocked with 35 bottles of wine...almost a \$1,000 value. You must be present to win!

SDLF is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. The SDLF and its activities are supported through the California Special Districts Association and Special District Risk Management Authority.



Sponsored by:



Sponsored by:



9:00 – 10:45 a.m.

Jeff Havens

Becoming a More Annoying You

Full of reverse psychology and Jeff's trademark wit, "Becoming a More Annoying You!" will help improve your professional behavior by "encouraging" you to engage in all kinds of bad workplace behaviors. This is flat out the most hilarious professional etiquette seminar you're ever going to attend, filled with all the takeaways and useful information of a more straightforward presentation and all the entertainment and value of a comedy show. Because improving your district culture doesn't have to be boring.

Thursday, September 27

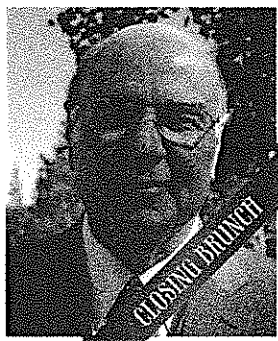
8:30 – 10:00 a.m.

Breakout Sessions

- Chapter Roundtable Discussion
- What to Expect When You're Needing Community Support, *SCI Consulting Group*
- Nightmare to Hollywood Ending: Special Districts Getting Out of the Red, *Fox Rothschild, LLP*
- Accommodating Bad Behavior: We're Not Going to Take It! *Liebert Cassidy Whitmore (CIP)*
- What's REALLY Going On! The Latest Update on Prevailing Wage, CMU, and ARRA Requirements, *Contractor Compliance & Monitoring, Inc.*
- 21st Century Privacy Issues in the Workplace, *Liebert Cassidy Whitmore (CIP)*
- Local Investing for Special Districts through County Treasurer-Tax Collectors: What Are the Options & Benefits? *Treasurer-Tax Collector Panel*

10:15 a.m. – 12:00 p.m.

Closing Brunch: Legislative Roundup: Ralph Heim and Kyle Packham Sacramento's Impact on Your District and the Future of Special Districts



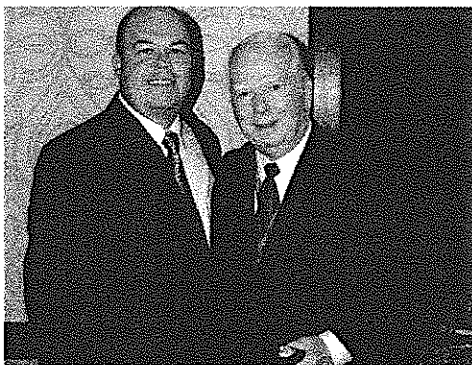
Thursday | 10:15 a.m. – 12:00 p.m.

Ralph Heim

Sacramento's Impact on Your District and the Future of Special Districts

Ralph Heim of Public Policy Advocates and CSDA Advocacy & Public Affairs Director Kyle Packham will present attendees with the most up-to-date information on the outcome of the biggest state budget and legislative issues impacting special districts in 2012. This year included major action on property taxes, public employee pensions, LAFCO and public contracting; Get all the latest legislative results and what it means for special districts going forward.

* Chapter of the Year Award Presentation



CSDA Recognizes the Best Among Special Districts

Do you have a board member, staff member, local chapter or program that you feel deserves recognition?

Each year, CSDA presents various awards during the CSDA Annual Conference and Exhibitor Showcase. There are a number of different categories. Please consider outstanding individuals within your districts for individual awards. Chapter awards and district awards are also open for nominations.

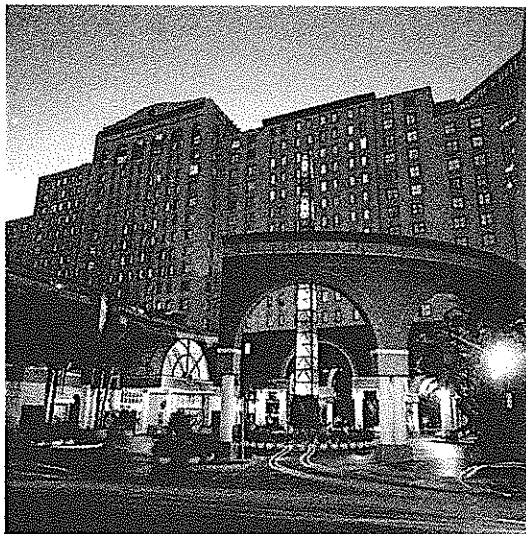
Visit the Awards section of our conference website at conference.csda.net for more information.

"The annual conference always gives me something I can use in my role as a board member."

Michael Seaman, Fulton-EI Camino RPD

Questions? If you have any questions regarding the awards or the awards process, please contact Charlotte Lowe, executive assistant, at the CSDA office toll-free at 877.924.2732 or by email at charlottel@csda.net. DEADLINE for submissions is FRIDAY, AUGUST 24, 2012. All applicants will be notified prior to the Annual Conference who the winner is. Winners will be awarded at the CSDA Annual Conference & Exhibitor Showcase in San Diego during the Awards Luncheon on Wednesday, September 26.

The Gaslamp Quarter is located just four miles from San Diego International Airport, and is easily accessible by taxi, limousine, rental car or commercial shuttle service.



Westin Gaslamp Quarter

910 Broadway Circle
San Diego, CA 92101
619-239-2200

To reserve a room at the Westin Gaslamp Quarter, either book a room through the conference website, conference.csdanet.net, or contact the Westin toll-free at 1-800-WESTIN-1 or 619-239-2200. All reservations must be accompanied by a one night room and tax deposit, guaranteed with a major credit card. Hotel will not hold any reservations unless secured by this deposit. (All major credit cards accepted.) The first night room and tax becomes NON-REFUNDABLE if a reservation is cancelled after the cut-off date of Thursday, August 30, 2012.

CSDA room rates are \$169.00 plus tax. When

booking your room, please ask for the CSDA group rate. This rate is also good three days before and after the conference, based on availability!

Car Rental Discount

Enterprise Rent A Car is offering all CSDA conference attendees a special conference discount. You can make reservations online at www.enterprise.com or call directly to 800-Rent-A-Car. The group code is: NACA 107. Reservations are recommended.



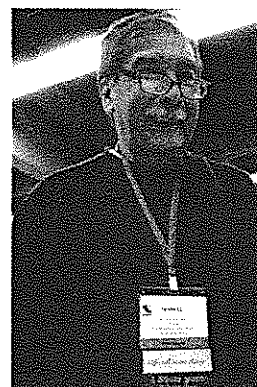
Man's Best Friend

It was near Christmas in 1886 when Bum--part St. Bernard, part spaniel, all multi--arrived from San Francisco, a stowaway aboard the steamer Santa Rosa. In the next 12 years, Bum barked and scrounged his way into the hearts of San Diegans, still reeling from one boom-and-bust cycle to another. Most of the politicians of that era, and all of the newspapermen, are long forgotten, but a bronze statue of Bum still sits near the William Heath Davis house museum. Check it out.

Ten reasons why you should attend the 2012 CSDA Annual Conference and Exhibitor Showcase

CSDA's Annual Conference has a proven record of providing some of the best education opportunities for district staff and elected officials

1. Interact with industry experts
2. Hear success stories from colleagues
3. Learn about challenges and solutions from special district case studies
4. Be the first to hear about special district trends
5. Gain knowledge and inspiration from nationally recognized speakers
6. Attend specialized workshops and sessions designed to address your needs
7. Meet one-on-one with industry suppliers who understand your needs
8. Attend numerous networking opportunities
9. Make new contacts and maintain key relationships
10. Earn Credit Incentive Points from the Special District Risk Management Authority (SDRMA)





ATTENDEE REGISTRATION FORM

2012 CSDA Annual Conference and Exhibitor Showcase
San Diego, California

(Please print) All future correspondence will be sent to the key contact.
One form per attendee.

Three Ways to Register

1. ONLINE by visiting the CSDA Annual Conference website at conference.csdanet
2. FAX your registration form to 916-442-7889. All faxed forms must include payment.
3. MAIL CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814, please include registration form along with payment. Check should be made payable to: California Special Districts Association.

Who qualifies for member rates?

All California Special Districts Association and Special District Risk Management Authority members. Contact the CSDA office toll-free 877-924-2732 to find out if you are already a member. It's not too late to become a CSDA member. Simply contact Cathrine Lemaire at cathrine@csda.net or call toll-free at 877-924-2732.

Registration fees include:

- President's Reception with the Exhibitors Monday evening
- Keynote Sessions and Super Session
- Exhibitor Showcase Dessert on Tuesday
- Exhibitor Showcase on Monday and Tuesday
- SDRMA Full Plated Breakfast on Wednesday
- Awards Luncheon on Wednesday
- All Breakout Sessions on Tuesday, Wednesday, and Thursday
- SDLF "Taste of the City" Reception
- Closing Brunch on Thursday

Name:		Title:	
District:			
Address:			
City:	State:	Zip:	
Phone:	Fax:		
Email:	Website:		
Member status: <input type="checkbox"/> Member <input type="checkbox"/> Non-member		<input type="checkbox"/> Vegetarian <input type="checkbox"/> Any Special Needs:	
Conference Registration Fees		Early Bird (only before Aug. 17)	Regular (after Aug. 17)
<input type="checkbox"/> CSDA Member - Full Conference		\$525.00	\$550.00
<input type="checkbox"/> Non-member - Full Conference		\$685.00	\$710.00
<input type="checkbox"/> Guest - Full Conference (Cannot be from a district) <input type="checkbox"/> Vegetarian		\$250.00	\$300.00
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$250.00 each day	\$275.00 each day
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$410.00 each day	\$435.00 each day
Separate Registration Fees		Member	Non-member
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Sept. 24		\$225.00	\$375.00
<input type="checkbox"/> Pre-Conference Workshop: Organizational Assessment & Strategic Planning - Sept. 24		\$225.00	\$375.00
<input type="checkbox"/> CSDA Golf Tournament - Sept. 24		\$125.00	
<input type="checkbox"/> Richard A. Reynolds Groundwater Desalination Facility Tour - Sept. 24		\$ 10.00 (includes transportation) (limited seating)	
<input type="checkbox"/> Tailgate Party with the Exhibitors/Padres vs. Dodgers Game - Sept. 25		\$ 50.00 (includes game, food & drinks) (limited seating)	
<input type="checkbox"/> CSDA Awards Luncheon (Guests only) - Sept. 26		\$ 40.00	
<input type="checkbox"/> SDLF "Taste of the City" Reception (Guests only) - Sept. 26		\$ 50.00	
		TOTAL	
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover			
Account name:		Account Number:	
Expiration date:		Authorized Signature:	
TUESDAY, SEPTEMBER 25, 2012 11:00 a.m. – 12:15 p.m. Breakout Sessions	WEDNESDAY, SEPTEMBER 26, 2012 11:00 a.m. – 12:00 p.m. Breakout Sessions		
	1:45 – 2:45 p.m. Breakout Sessions		
<input type="checkbox"/> The Cost of Poor Benefits Plan Design & Some Win Win Fixes <input type="checkbox"/> What's New About LAFCo <input type="checkbox"/> Got Work? When Do You Have to Pay for it Under the FLSA? <input type="checkbox"/> New Developments: The Brown Act and Public Records Act <input type="checkbox"/> Serving the Public Through Best Board Practices <input type="checkbox"/> Measure WW: Lessons in Presenting Successful Ballot Measures	<input type="checkbox"/> Cost Saving Early Retirement Incentives <input type="checkbox"/> No Cost Safety Training – 'There's an App for That!' <input type="checkbox"/> Company Nurse Program – 'The Nurse Will Listen to You Now.' <input type="checkbox"/> AB1234 Required Ethics Training (part 1) <input type="checkbox"/> The Alternative Workforce – Independent Contractors, Retired Annuitants, and Volunteers <input type="checkbox"/> How to Avoid Disability Discrimination Claims in the Workplace		
	3:00 – 4:30 p.m. Breakout Sessions		
	<input type="checkbox"/> SDRMA – Pool Coverage – 'Do I Need a Life Vest?' <input type="checkbox"/> SDRMA <input type="checkbox"/> Building a Positive Working Relationship with Your Governing Body <input type="checkbox"/> Assessing Your Organization for Efficiency <input type="checkbox"/> AB1234 Required Ethics Training (part 2) <input type="checkbox"/> Streamlining Payment Processes for Local Government <input type="checkbox"/> Strategic Performance Management: Using Logic Models to Drive Results		
	<input type="checkbox"/> Can I Accept That Gift? What you need to know about the updated FPCC Gift Regulations <input type="checkbox"/> Capital Funding in the Wake of the Great Recession <input type="checkbox"/> An Update on ABx1 26 (RDA Dissolution) Is It Working? <input type="checkbox"/> Rate Rollback: Proposition 218 and Initiative Measures <input type="checkbox"/> Revenues: Where's the Fire?! Where's the Water?!! <input type="checkbox"/> A-B-CEQA		
	THURSDAY, SEPTEMBER 27, 2012 8:30 – 10:00 a.m. Breakout Sessions		
	<input type="checkbox"/> Chapter Roundtable Discussion <input type="checkbox"/> What to Expect When You're Needing Community Support <input type="checkbox"/> Nightmare to Hollywood Ending: Special Districts Getting Out of the Red <input type="checkbox"/> Accommodating Bad Behavior: We're Not Going to Take It! <input type="checkbox"/> What is REALLY Going On! The Latest Update on Prevailing Wage, CMU, ARRA Requirements <input type="checkbox"/> 21st Century Privacy Issues in the Workplace <input type="checkbox"/> Local Investing for Special Districts through County Treasurer-Tax Collectors: What Are the Options & Benefits?		

Cancellation/Substitution Policy: Cancellations must be in writing and received by CSDA not later than August 30. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after August 30, 2012. Substitutions are acceptable and must be done in writing no later than September 14, 2012. Please submit any cancellation notice or substitution request to sharonf@csda.net or fax to 916-442-7889. **Consent to Use of Photographic Images:** Registration and attendance at, or participation in, CSDA meetings and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions and audiotapes of such events and activities.

Sponsors

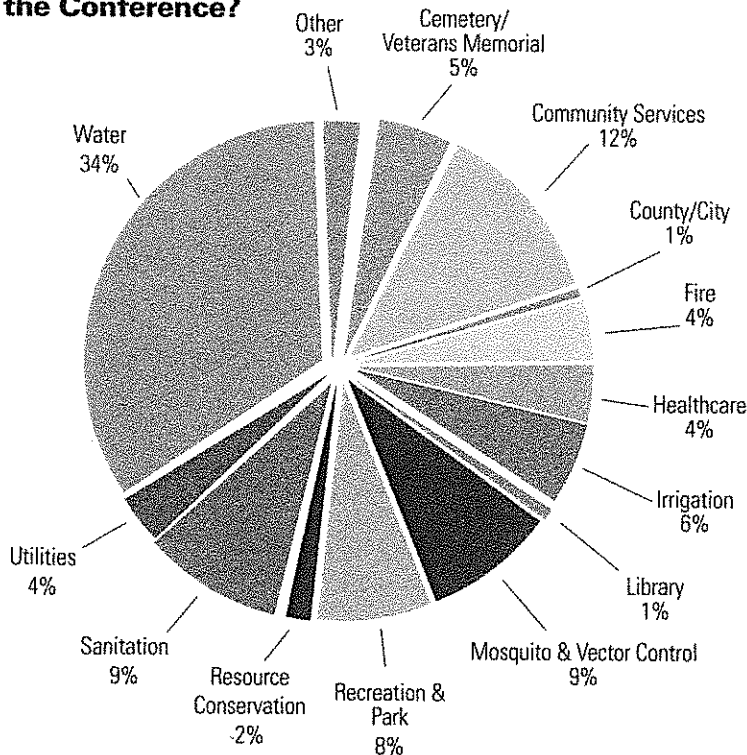
Maximize your marketing dollars by taking advantage of these sponsorship opportunities today!

All sponsorships include: listing on 2012 sponsor flyer inserted in all attendee bags, level recognition in CSDA Conference Edition of *California Special District* magazine, recognition on "Thank You" page of the onsite guide, company listed on sponsor page of conference website, post-conference attendee list (*electronic copy*).

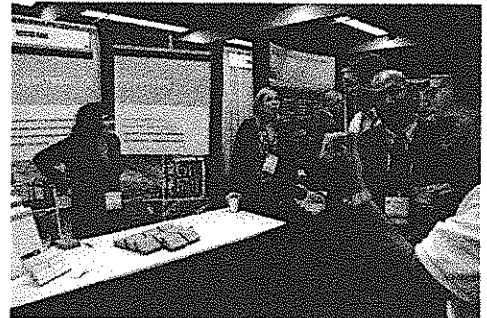
\$20,000	Champion: Keynote Speaker Sponsorship
\$10,000	Premier: SDF "Taste of the City" Sponsorship
\$5,000	Advocate: (<i>Choose One</i>) Presidents Reception with the Exhibitors, Closing Brunch, or Cyber Café Sponsorship
\$3,000	Supporter: Super Session Sponsorship
\$2,500	Friend: (<i>Choose One</i>) Awards Luncheon or Exhibit Hall Dessert Finale Sponsorship
\$1,000	Pre-Conference District Tour Sponsorship
\$300 - \$1000	Annual Golf Tournament Sponsorships
\$750	Exhibitor Grand Prize Card

Have something else in mind? We are happy to create custom sponsorship packages to meet your marketing needs. Please contact Megan Hemming, professional development director, at meganh@csda.net or toll-free at 877-924-2732.

Who Attends the Conference?



Gain valuable name recognition and exposure by becoming a sponsor and/or exhibitor of CSDA's Annual Conference & Exhibitor Showcase.

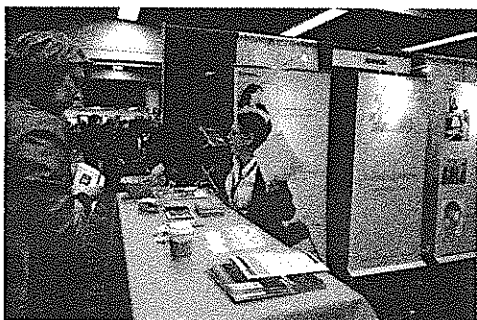
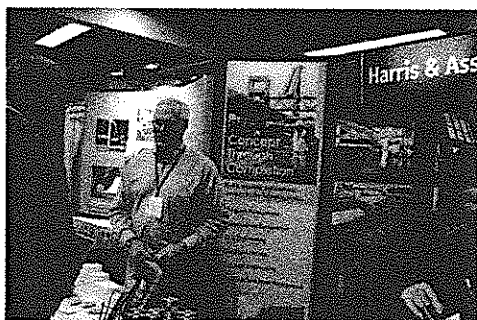
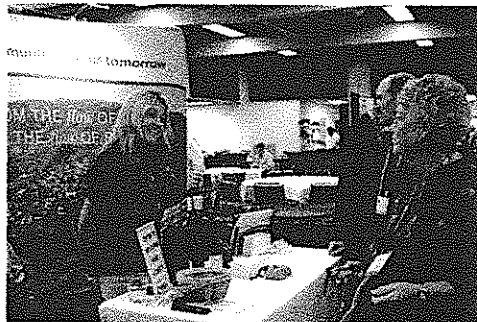


"Over the past 18 years, my business partner and I have exhibited at conferences for cities, counties, school & college districts, etc. CSDA's Annual Conference was not only the best value, it also provided us with the best opportunity to meet the decision-makers of their districts!"

Andy Nichols, President, Nichols Consulting

Exhibitors

Don't miss this opportunity to develop new relationships, reconnect with existing clients and make valuable contacts. If you only pick one tradeshow to exhibit at this year, this should be it!



Network with Key Decision Makers from Special Districts:

Board Members – directors and trustees, General Managers, Department Managers and Supervisors, Finance Managers, Board Secretaries/Clerks, Legal Counsel, Fire/Police Chief

Who Should Exhibit?

Accountants, Architecture and Design Firms, Attorneys/Law Firms, Banks/Financial Advisors/Investment Bankers, Benefits/Retirement Companies, Computer Service Companies, Construction/Design and Planning Consultants, Engineering Firms, Energy Consultants and Suppliers, Environmental Consultants, Government Organizations, Human Resources Consultants, Office Suppliers, Product Distributors, PR/Marketing Firms, Recruitment Advisors, Research Analysts, Relocation Consultants, Training Services, and other companies that provide products/services to districts

Your Exhibitor Booth Includes:

- 8' x 10' booth space
- Draped back wall with 3' high draped side rails
- An exhibitor identification sign
- Company listing in the on-site program guide including a 30-word company description
- Company listing on our conference website
- Company listing on conference mobile app
- Pre-show attendees list for your marketing use
- Two full conference registrations (including meals)
- **(New)** ONE ticket to the Tailgate Party with the Exhibitors and Padres Dodgers Game at Petco Park
- Opportunity to host an appetizer tray at Tailgate Party with the Exhibitors
- Opportunity to host a tray at your booth at President's Reception and Dessert Finale
- Opportunity to donate a prize to the conference raffle
- Company Name on Exhibitor Card for attendee raffle
- **(New)** Opportunity to utilize the exhibitor appointment lounge to schedule one-on-one meetings with attendees
- A post-show listing of conference attendees (electronic copy)

It pays to be a Business Affiliate member of CSDA!

If you register as an exhibitor or attendee, you will receive lower rates if you are a CSDA Business Affiliate. CSDA Business Affiliate membership is available at five investment levels, starting at \$650 per year. Business Affiliate membership provides you with an array of benefits guaranteed to increase your visibility and interaction with special district decision-makers. Depending on the level of your membership investment, you can receive:

- Discounted exhibit booths at the Annual Conference
- Additional invitations to the Business Affiliate Reception
- Complimentary conference registrations
- Participation in the Business Affiliates Golf Tournament
- Complimentary use of CSDA membership mailing list
- Listing in the CSDA online Buyers Guide
- And much more!

Bankers, engineering firms, human resource consultants, financial advisors and construction companies are just a few of the kinds of businesses that belong to CSDA and take advantage of the marketing and networking opportunities we offer.

Business Affiliate membership maximizes your participation in the CSDA Annual Conference. For more information on the benefits of membership and to find out which level best suits your needs, please contact Cathrine Lemaire at 877.924.2732 or cathrine@cda.net.

EXHIBITOR TERMS AND CONDITIONS

- 1. ELIGIBLE EXHIBITS:** Exhibition is restricted to companies that are in good standing with CSDA. CSDA reserves the right to determine the eligibility of any company or product for inclusion in the conference and reserve the right to reject, evict or prohibit any exhibit in whole or in part, or any exhibitor, or his/her representatives, with or without giving cause.
- 2. NON-ENDORSEMENT:** CSDA does not in any way imply endorsement of any product or service of any exhibitor by entering into the exhibitor contract.
- 3. REFUNDS:** CSDA will provide a refund of 50 percent of the booth rental fees if written notice is received on or before August 31, 2012. NO refunds issued after August 31, 2012. NO EXCEPTIONS.
- 4. SUBLETTING SPACE:** Exhibitors may neither assign, sublet/apportion the whole or any part of space allotted

without written approval of CSDA. Approval is subject to eligibility as described in Eligible Exhibits.

- 5. CANCELLATION:** CSDA's performance, in whole or part, is subject to acts of God, war (whether declared or not) government regulation or advisory, disaster, fire, earthquakes, accidents or other casualty, strikes or threats of strikes, civil disorder, acts or threats of terrorism, government retaliation against foreign enemies, curtailment of transportation services or facilities, the unavailability of the contracted facility, lodging or other necessary facilities, or other causes beyond CSDA's control making it illegal, impossible or commercially impracticable to hold the CSDA Annual Conference. CSDA shall immediately notify exhibitors in the event of termination.
- 6. HOLD HARMLESS:** To the fullest extent permitted by law, exhibitors shall indemnify, defend and hold CSDA,

its subsidiaries, and their officers, employees and agents, harmless from any and all liability that might ensue from any cause whatsoever associated with exhibitor's attendance at, exhibition and use of space at the CSDA Annual Conference.

- 7. BOOTH ASSIGNMENTS:** Booths will be assigned on a "first come, first served" basis and in the best interest of the exhibition. Assignment of exhibit space shall be solely at the discretion of CSDA. There is no guarantee that requested spaces shall be assigned. Application for booth space must be made by mail or by fax with payment in full. Booths will not be reserved by phone.

- 8. EXHIBIT INSTALLATION/DISMANTLING:** Union jurisdictions prevail over all set-up and dismantling of exhibits including signs and laying of carpet. This does not apply to the unpacking and placement of your merchandise. Any installation of exhibits or displays that

requires the use of hand tools, or more than one person, or longer than 30 minutes to install, shall be installed by union labor.

- 9. FIRE, SAFETY AND HEALTH:** The exhibitor agrees to accept full responsibility for compliance with local, city, and state Fire, Safety, and Health Ordinances regarding the booth installation and operation of equipment. All exhibit materials and equipment must be reasonably located within the booth and protected by safety guards and devices where necessary to prevent personal accidents.

- 10. INSURANCE:** All exhibitors are responsible for supplying a certificate of insurance by August 31, 2012. The certificate must show that the exhibitor carries no less than \$500,000 of general liability insurance. It is strongly suggested exhibitors arrange all risk coverage.



EXHIBITOR SHOWCASE APPLICATION AND CONTRACT

2012 CSDA Annual Conference and Exhibitor Showcase
San Diego, California

(Please print) All future correspondence will be sent to the key contact.
One form per attendee.

Exhibit Booth Rates:

\$750 Standard – CSDA Member	\$1,000 Corner – CSDA Member
\$1,175 Standard – Non-member	\$1,375 Corner – Non-member

Additional Opportunities:

\$300 – Appetizer Tray at the President's Reception
 \$250 – Appetizer Tray at Tailgate Party with the Exhibitors at Petco Park
 \$300 – Dessert Tray at Exhibit Hall Grand Finale
 \$250 – Additional Booth Personnel (after the first two)
 \$50 – Additional Ticket to Padres/Dodgers Game (networking event) (exhibit booth includes 1)
 \$125 – CSDA Annual Golf Tournament, Monday, September 24 at Riverwalk Golf Club

Who qualifies for member rates?

All California Special Districts Association members. Not sure if you are a member? Contact the CSDA office at toll-free 877.924.2732 to find out if you are already a member. It's not too late to become a CSDA member. Simply contact Cathrine Lemaire at cathrine@csda.net or call toll-free at 877.924.2732.

Submission of application does not guarantee a booth assignment. All applications are subject to approval and based on availability.

Questions? Contact the Professional Development Department at 877.924.2732.

In order to ensure your booth information appears in printed materials all information requested should be submitted no later than Friday, August 31, 2012. MAIL along with payment to CSDA – Annual Conference, 1112 I Street, Suite 200, Sacramento, CA 95814 or FAX with credit card payment – 916-442-7889.

Total Number of Booths Requested:		
Key Contact:		Title:
Exhibiting Organization:		
Street Address:		
City:	State:	Zip:
Phone:	Fax:	
Email:	Website:	
Booth Personnel: Your booth fee includes two (2) exhibitor name badges (including all meals and attendee activities). You can add additional booth personnel for \$250 per person. Please indicate booth personnel: (Primary and 2nd Booth Exhibitor included)		
Primary Booth Exhibitor:		Title:
Primary Booth Exhibitor Email:		
2nd Exhibitor Name:		Title:
3rd Exhibitor Name (additional \$250):		Title:
4th Exhibitor Name (additional \$250):		Title:
Booth Price		
<input type="checkbox"/> \$ 750.00 standard – CSDA Member <input type="checkbox"/> \$1,175.00 standard – Non-member <input type="checkbox"/> \$1,000.00 corner – CSDA Member <input type="checkbox"/> \$1,375.00 corner – Non-member		Up to a 30-word company description: (you may attach separately or email to meganh@csda.net)
Special Requests		
Please list special requests for consideration in booth assignments (i.e. any companies you do not wish to be located next to, etc.):		
Donate a Prize		
CSDA encourages all exhibitors to donate a prize to be raffled off by CSDA.		
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**MINUTES OF MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE
OF THE PALMDALE WATER DISTRICT, JUNE 15, 2012:**

A meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Friday, June 15, 2012, 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
Robert Alvarado, PWD Director
Jon Pernula, Water & Energy Resources Mngr.
Matt Knudson, Engineering Manager
Peter Thompson Sr., Project Manager
Danielle Doll, Administrative Assistant
1 member 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 May 18, 2012.**

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 May 18, 2012, as written.

**4.2) Presentation of Monthly Water Demand and Supply Status. (Water &
Energy Resources Manager Pernula)**

Water & Energy Resources Manager Pernula informed the Committee that water consumption is slightly above budgeted and slightly below projected and that the water

production plan will change if the District acquires Butte water and then reviewed the status of this acquisition and proposed use of this water and the water use and production charts and graphs included in the agenda packets followed by discussion of groundwater reporting for additional water supplies, the impact of treating additional surface water, water losses, and the District's 65% State Water Project allocation.

**4.3) Consideration and Possible Action on Strategic Water Resources Plan.
(Water & Energy Resources Manager Pernula)**

Water & Energy Resources Manager Pernula stated that the Strategic Water Resources Plan is on hold pending confirmation of a settlement agreement with the City of Palmdale.

4.4) Discussion of the District's Water Banking Opportunities. (Chair Dexter)

Water & Energy Resources Manager Pernula informed the Committee that staff is exploring water banking opportunities within and outside of the Antelope Valley and then reviewed the importance of water banking in both areas, how each water banking project is evaluated, and proposed locations for water banking projects followed by discussion of the District's 2,600 acre feet of water banked in the Semitropic-Rosamond Water Banking Authority and the terms of this banking agreement, water banking in Littlerock Wash under the Strategic Water Resources Plan and entities approaching the District for banking in this area, the District acquiring its own water bank, limited funds for water banking opportunities, the vulnerabilities of water banking in the Antelope Valley, the adjudication process, and how water is stored underground and the benefit of banked water during periods of drought.

General Manager LaMoreaux then suggested a tour of the Semitropic-Rosamond Water Bank.

5) Project Updates.

5.1) Recycled Water Master Plan. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that the Recycled Water Master Plan is on hold pending confirmation of a settlement agreement with the City of Palmdale.

5.2) Garden Bar Water Supply and Power Project. (Water & Energy Resources Manager Pernula)

The need and cost of the Garden Bar Water Supply and Power Project was discussed after which Water & Energy Resources Manager Pernula informed the Committee of future potential levels of participation in this Project.

5.3) Water Purchase Opportunities. (Water & Energy Resources Manager Pernula)

Water & Energy Resources Manager Pernula stated that the C.E.Q.A. environmental documents for the Butte County water acquisition will be presented for consideration at the July 11, 2012 Board meeting, and the agreements and the Memorandum of Understanding are nearly complete after which the Committee concurred with presenting the environmental documents to the full Board at the July 11, 2012 Board meeting.

5.4) Water Treatment and Transportation Agreement Between Palmdale Water District and Antelope Valley East Kern Water Agency – Acton Water Treatment Plant. (Engineering Manager Knudson)

General Manager LaMoreaux distributed a written report from Engineering Manager Knudson on this item and informed the Committee that the contractor is working on the raw water line for the AVEK connection to bring their State Water Project water to Palmdale Lake for treatment and that this project is progressing followed by discussion of the anticipated schedule for delivering water through this connection.

5.5) Littlerock Dam Sediment Removal Project. (Engineering Manager Knudson)

General Manager LaMoreaux distributed a written report from Engineering Manager Knudson on this item and informed the Committee that it has been determined

that the Wild and Scenic River designation does not apply to Littlerock Creek and that this project is progressing.

6) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

7) Closed Session Under:

7.1) Government Code Section 54956.9(a), Existing Litigation: *Antelope Valley Ground Water Cases*.

At 3:56 p.m., President Dexter called for a closed session pursuant to Government Code Section 54956.9(a), Existing Litigation – one case: *Antelope Valley Ground Water Cases*.

He reconvened the regular meeting at 3:58 p.m.

8) Public Report of Any Action Taken in Closed Session.

Chair Dexter reported that a closed session had been held under Government Code Section 54956.9(a), Existing Litigation – one case: *Antelope Valley Ground Water Cases*; that the Committee was briefed on the current status of this matter; but that no reportable action under the Brown Act was taken in closed session on this matter.

9) Information Items.

General Manager LaMoreaux informed the Committee that staff is making repairs on some of the worst areas of Palmdale Ditch, which moves water from Littlerock Dam to Palmdale Lake; that water may be taken from Littlerock Dam to check these repairs; but that the intent is to carry-over the water in Littlerock Dam until next year.

There were no additional information items to discuss.


10) Board Members' Requests for Future Agenda Items.

Chair Dexter requested additional discussions be held on water banking opportunities at the next meeting so this topic can be presented to the full Board.

There were no further requests for future agenda items.

11) Adjournment.

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



Chair

**MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE
WATER DISTRICT, JUNE 20, 2012:**

A meeting of the Personnel Committee of the Palmdale Water District was held Monday, June 20, 2012, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order.

1) Roll Call.

Attendance:

Personnel Committee:

Kathy Mac Laren, Chair

Gloria Dizmang, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager

Tim Moore, Facilities Manager

Matt Knudson, Engineering Manager

Peter Thompson, Operations Manager

Kelly Jeters, Systems Supervisor

Ed Boka, Treatment Plant Supervisor

Joe Kerschner, Water Quality Supervisor

Randy Hardenbrook, Equipment Mechanic Spvsr.

Dawn Deans, Executive Assistant

4 members of the public

2) Adoption of Agenda.

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

3) Public Comments.

There were no public comments.

4) Action Items:

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting
Held June 4, 2012.**

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held June 4, 2012, as written.

4.2) Reconsideration and Possible Action on Approval of Minutes of Meeting Held April 23, 2012 to Add Director Alvarado's Attendance.

It was moved by Committee Member Dizmang, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held April 23, 2012 to add Director Alvarado's attendance.

**4.3) Presentation on Facilities Department Operations and Staffing.
(Facilities Manager Moore)**

Facilities Manager Moore informed the Committee of the miles of pipeline and number of valves, wells, booster station sites, and reservoir sites in the District's system and then reviewed how Facilities staff responds to customer needs and concerns, the duties of the Construction Crew, the Mechanic Crew, and a typical work day for these crews, the number of leaks over the years and number of vehicles in the District's fleet, the Facilities Department's role in safety, and how the Department meets on a regular basis to review expenses to ensure cost savings and efficiency.

It was then determined that the Engineering Department will be presented at the next Personnel Committee meeting.

**4.4) Review and Possible Action on Palmdale Water District Grievance Policy.
(Chair Mac Laren)**

After a brief discussion of the Grievance Policy, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried to approve the Palmdale Water District's Grievance Policy and that this item be presented to the full Board for consideration.

**4.5) Discussion and Possible Action on Human Resources Manager Position.
(Chair Mac Laren)**

General Manager LaMoreaux reviewed the "Human Resources Duty and Staffing Comparison" chart regarding the need and justification for filling the District's Human Resources Manager position, and after discussion of the comparison of job description duties rather than titles included in the chart, of reducing the duties of the District's Human Resources Manager, of the District's budget, of cutting costs in areas that could potentially increase risk to the District, and of the Board's previous action to consider this

matter at the June 27, 2012 Board meeting, it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried to table this item to the next Committee meeting with the Board providing guidance at the June 27, 2012 Board meeting.

Director Mac Laren then requested the background information from Finance Manager Williams' Comparative Personnel Expenses presentation.

5) Information Items.

5.1) Update on ACWA/JPIA Review of Palmdale Water District Fraternization Policy. (Human Resources Manager Burns)

General Manager LaMoreaux informed the Committee that ACWA/JPIA has reviewed and concurs with the District's Fraternization Policy and that this policy is being formatted as an amendment to the Employee Handbook.

5.2) Update on Changing the District's Medical Coverage From the Association of California Water Agencies/Health Benefits Authority (ACWA/HBA) Plans to the CalPERS Medical Plan. (Human Resources Manager Burns)

General Manager LaMoreaux informed the Committee that CalPERS' rates increased approximately 10%; that any rate changes that may result from ACWA/JPIA's health benefits merger are unknown at this time; that the Supreme Court healthcare decision is expected any time; that staff is reviewing eliminating the District's independent Kaiser plan and converting to ACWA/JPIA's Kaiser program or modifying the District's independent Kaiser plan to reduce costs; and that a cafeteria plan may also be reviewed, and after a brief discussion, the Committee determined that staff provide an update on this item at the next Committee meeting.

5.3) Update on CalPERS Two-Year Service Credit Retirement Program. (General Manager LaMoreaux)

General Manager LaMoreaux informed the Committee that four employees have submitted their intent to take advantage of the CalPERS Two-Year Service Credit Retirement Program and that three other employees may be contemplating the Program.

5.4) Update on Employee Benefit Cost Savings Measures. (Human Resources Manager Burns)

General Manager LaMoreaux informed the Committee that the two Employee Benefit Cost Savings Measures previously approved by the Committee, being the Dual Medical Coverage and Vacation/Personal Day Purchase Program, are under legal review and format as amendments to the Employee Handbook prior to presentation to the full Board for consideration.

There were no additional information items to discuss.

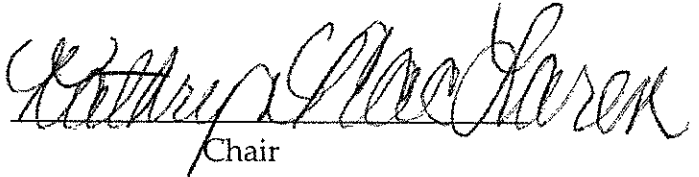
6) Board Members' Requests for Future Agenda Items.

It was determined that "Presentation on Engineering Department operations and staffing" and "Discussion and possible action on Human Resources Manager position" will be placed on the next agenda for consideration.

It was then determined that the next Personnel Committee meeting will be held July 18, 2012 at 6:30 p.m.

7) Adjournment.

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


Chair