

# PALMDALE WATER DISTRICT

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

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ALESHIRE & WYNDER LLP  
Attorneys



## Board of Directors

ROBERT E. ALVARADO  
Division 1

JOE ESTES  
Division 2

GLORIA DIZMANG  
Division 3

KATHY MAC LAREN  
Division 4

VINCENT DINO  
Division 5

September 4, 2014

***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, September 10, 2014  
7:00 p.m.***

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

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

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

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

- 1) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:
  - 5.1) No presentations scheduled at this time.

- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 6.1) Approval of minutes of regular meeting held August 27, 2014.
  - 6.2) Payment of bills for September 10, 2014.
  - 6.3) Approval of recruitment for vacant Operations Manager position. (Human Resources Director Emery/Personnel Committee)
  - 6.4) Approval of Amendment No. 1 to the Agreement between Palmdale Water District and Butte County for Long-Term Lease of a Portion of Butte County's State Water Project Table A Water Supply. (Water & Energy Resources Director Pernula)
  - 6.5) Approval of Resolution No. 14-15 Approving the Antelope Valley State Water Contractors Association Budget for Fiscal Year 2014/2015. (\$17,898.00 – Budgeted – Assistant General Manager Knudson)
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 7.1) Status report on Cash Flow Statement and Current Cash Balances as of July 31, 2014. (Financial Advisor Egan/Finance Committee)
  - 7.2) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for July 31, 2014. (Finance Manager Williams/Finance Committee)
  - 7.3) Status report on committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson/Finance Committee)
  - 7.4) Consideration and possible action on revisions to Appendix M boundary map of the District's Rules and Regulations. (Assistant General Manager Knudson/Finance Committee)
  - 7.5) Consideration and possible action on Project Labor Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions. (General Manager LaMoreaux/Finance Committee)
  - 7.6) Consideration and possible action on Employee Handbook update. (Human Resources Director Emery/Personnel Committee)
  - 7.7) Consideration and possible action on addition of JPIA Account Based Health Plan to the District's existing health plan options. (Human Resources Director Emery/Personnel Committee)
  - 7.8) Consideration and possible action on Board and staff attendance at conferences, seminars, and training sessions as follows:
    - a) California Association of Local Agency Formation Commissions' (CALAFCO) Annual Conference to be held October 15 – 17, 2014 in Ontario.



- b) Water Education Foundation Northern California Tour 2014 Field Trip to be held October 22 - 24, 2014.
- 8) Information Items:
  - 8.1) Reports of Directors:
    - a) Meetings/General Report.
    - b) Standing Committee/Assignment Reports (Chair):
      - 1) Facilities Committee
      - 2) Finance Committee
      - 3) Personnel Committee
      - 4) Outreach Committee
      - 5) Water Supply & Reliability Committee
      - 6) Antelope Valley State Water Contractors Association
      - 7) Palmdale Recycled Water Authority
  - 8.2) Report of General Manager.
    - a) Comparison of fees and charges for similar-sized water districts. (Finance Manager Williams)
  - 8.3) Report of Attorney.
- 9) Public comments on closed session agenda matters.
- 10) Closed session under:
  - 10.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *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.*
  - 10.2) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *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.



MATTHEW R. KNUDSON,  
Assistant General Manager

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

**DATE:** September 3, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Jennifer Emery, Human Resources Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 6.3 – APPROVAL OF RECRUITMENT FOR  
VACANT OPERATIONS MANAGER POSITION***

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**Recommendation:**

Staff recommends the Board approve filling the position of Operations Manager at the existing salary range. This item will be considered by the Personnel Committee at their September 4, 2014 meeting.

**Alternative Options:**

The alternative is to leave the position open.

**Background:**

The Operations Manager position has become vacant due to the recruitment process for the Deputy Water and Energy Resource Director position.

**Strategic Plan Initiative:**

This work is part of Strategic Plan Elements: Build Capacity of Staff and Enhance Workforce Environment.

**Budget:**

The Operations Manager is a budgeted position.

**Supporting Documents:**

- Operations Manager Job Description



## PALMDALE WATER DISTRICT

### OPERATIONS MANAGER

FLSA Status: Exempt

#### DEFINITION

To plan, organize, direct and review the activities and operations of the Operations Department (Systems, Treatment Plant and Water Quality divisions) including facility operations, water quality laboratory testing/analysis and treatment plant processing operations; to coordinate assigned activities with other departments and outside agencies; and to provide highly responsible and complex administrative support to the General Manager/CEO and Assistant General Manager/COO.

#### SUPERVISION RECEIVED AND EXERCISED

Receives administrative direction from the General Manager/CEO and Assistant General Manager/COO.

Exercises direct supervision over assigned supervisory and technical staff.

EXAMPLES OF ESSENTIAL DUTIES - Duties may include, but are not limited to, the following:

Develop, plan and implement department goals and objectives; recommend and administer policies and procedures.

Coordinate department activities with those of other departments and outside agencies and organizations; provide staff assistance to the Board of Directors, General Manager/CEO, and Assistant General Manager/COO; prepare and present staff reports and other necessary correspondence.

Direct, oversee and participate in the development of the department's work plan; assign work activities, projects and programs; monitor work flow; review and evaluate work products, methods and procedures.

Supervise and participate in the development and administration of the Operations Department budget; direct the forecast of additional funds needed for staffing, equipment, materials, supplies, and services; monitor and approve expenditures; implement mid-year adjustments.

Select, train, motivate and evaluate personnel; provide or coordinate staff training; conduct performance evaluations; implement discipline procedures; maintain discipline and high standards necessary for the efficient and professional operation of the department.

Ensure regulatory compliance with State and Federal agencies regarding water quality testing, analysis, and production.

Oversee operation of the water distribution system relative to water quality issues and monitor water production from a variety of sources, including groundwater, surface water, and the State water project.

Represent the department to outside groups and organizations; participate in outside community and professional groups and committees; provide technical assistance as necessary.

Research and prepare technical and administrative reports and studies; prepare written correspondence as necessary.

Build and maintain positive working relationships with co-workers, other District employees and the public using principles of good customer service.

Perform related duties as assigned.

#### MINIMUM QUALIFICATIONS

##### Knowledge of:

Principles and practices of water utility operations and related facilities, including water treatment and distribution systems.

Principles and practices of water quality assurance and control testing and analysis.

Principles and practices of leadership, motivation, team building and conflict resolution.

Pertinent local, State and Federal laws, rules and regulations.

Organizational and management practices as applied to the analysis and evaluation of programs.

Principles and practices of organization, administration and personnel management.

Principles and practices of budget preparation and administration.

Ability to:

Plan, direct and control the administration and operations of all facilities.

On a continuous basis, analyze budget and technical reports; interpret and evaluate staff reports and related documents; know and interpret laws, regulations, codes and procedures; observe performance and evaluate staff; problem solve department related issues; and explain and interpret policy.

On a continuous basis, sit at desk and in meetings for long periods of time; intermittently walk and stand while visiting field sites; twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone; write or use a keyboard to communicate through written means; and lift or carry weight up to 20 pounds.

Prepare and administer department budgets.

Develop and implement department policies and procedures.

Supervise, train and evaluate assigned personnel.

Gain cooperation through discussion and persuasion.

Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals.

Interpret and apply District and department policies, procedures, rules and regulations.

May occasionally perform field site visits.

Communicate clearly and concisely, both orally and in writing.

Establish and maintain effective working relationships with those contacted in the course of work.

Experience and Training

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:



Experience:

Seven years of increasingly responsible experience in water utility laboratory testing and/or treatment plant processing operations including three years of administrative and management responsibility.

Training:

Equivalent to a Bachelor's degree from an accredited college or university with major course work in civil engineering, chemistry, biology or a related field.

License and Certificate

Possession of, or ability to obtain, a valid California Driver's License.

Possession of a Water Treatment Operator Grade 5 Certificate as issued by the State of California Department of Public Health.

Possession of a Water Distribution Operator Grade 5 Certificate as issued by the State of California Department of Public Health is highly desired.

Approved: 12/16/2009

I have reviewed this job description with my Supervisor and agree with its contents.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supervisor Signature

\_\_\_\_\_  
Date

The specific statements shown in each section of this job description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** September 4, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Jon M. Pernula, Water and Energy Resources Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 6.4 – APPROVAL OF AMENDMENT NO. 1 TO  
THE AGREEMENT BETWEEN PALMDALE WATER DISTRICT AND  
BUTTE COUNTY FOR LONG-TERM LEASE OF A PORTION OF  
BUTTE COUNTY’S STATE WATER PROJECT TABLE A WATER  
SUPPLY***

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**Recommendation:**

Staff, along with the concurrence of the Water Supply and Reliability Committee, recommends Board approval of Amendment No. 1 to the Long-Term Lease Agreement Between Butte County and PWD for Additional Surplus Water Supplies.

**Background:**

While seeking remedies for water shortages earlier this year, District staff began negotiations to secure an additional water supply from Butte County. A Butte County customer/member agency had developed alternative local water supplies and was in a position to forego their County provided State Water Project (SWP) Table A subscription. During negotiations, it became apparent that the complexity of materializing all approvals needed to acquire the additional surplus water in a timely manner for 2014 would be insurmountable. Being that as it may, it was then determined that a long-term amendment to the existing Butte PWD Eight-Year Agreement would be the most viable vehicle for this acquisition.

The newly unencumbered surplus portion of Butte’s Table A has the potential of providing up to 1,325 AF (41.667% of available surplus) to PWD annually depending on hydrology and SWP allocations. Under this amendment the additional surplus water would be available to PWD on a first call basis. Butte’s other partner in the long term lease agreements (Dudley Ridge and West Side Contractors Group) has committed to receiving all of the additional surplus water in any year PWD declines to exercise its first call right under its portion of available water. This arrangement frees the District of financial obligation for surplus water under this amendment in any given year that the District decides it does not need the additional water.

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

September 4, 2014

Another beneficial provision of Amendment No. 1 allows the District to defer the per acre foot charge payments for the contracted amount under the Eight-Year Agreement on a one time in any ten year period basis when SWP allocation is below 35%. This allows further District financial relief during a low water allocation year by permitting PWD to pay the deferred acre foot charge in five equal installments during subsequent years.

**Strategic Plan Initiative:**

Strategic Initiative No. 1 – Strategic Water Management

**Budget:**

Water Purchases under Operating Expenses

**Supporting Documents:**

- Signed Amendment No. 1 to the Eight-Year Lease executed by Butte County
- Copy of the original Eight-Year Water Lease Agreement with Butte County



COUNTY OF BUTTE

R 41460

CONTRACT NO.

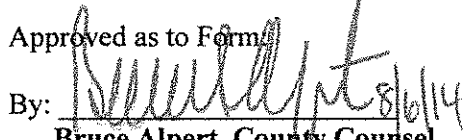
AMENDMENT 1 TO AGREEMENT BETWEEN  
PALMDALE WATER DISTRICT AND COUNTY OF BUTTE  
FOR LONG-TERM LEASE OF A PORTION OF THE  
COUNTY'S STATE WATER PROJECT TABLE A

1. Identification. This Amendment (Amendment) modifies the Agreement Between Westside Districts and County of Butte that was entered into as of October 23, 2013, by and between (i) the County of Butte, California (Butte) and (ii) Palmdale Water District (Palmdale). This Amendment incorporates two provisions into the Agreement: one which was unintentionally omitted from the original Agreement and expresses the intent expressed in the foundational Letter of Intent (LOI) and one which provides more flexibility for all parties relative to the availability of Additional Water.
2. Recitals.
  - 2.1 On January 12, 2012, Butte and Palmdale entered into a Letter of Intent (LOI) to establish the terms and conditions for a 10-year lease of Butte's State Water Project (SWP). Term 11 of the LOI stated that *"Once during the any ten-year period of the Term or extensions thereof, if the SWP allocation is below thirty-five percent (35.0%), Westside shall have the option of deferring the per acre-foot charge in paragraph 7(b). The Payment associated with the per acre foot charge shall be paid in equal installments of twenty percent (20.0%) each year over the subsequent 5 years; installment payments bear an interest rate equivalent to the escalator percentage in effect during the year that the paragraph 7(b) charge was deferred"*. The inadvertent omission of Term 11 from the Agreement was recognized and acknowledged by both parties in early 2014 when the SWP was facing a zero water allocation for 2014.
  - 2.2 Butte currently provides water to the Del Oro Water Company (Del Oro) and the California Water Service Company (Cal Water) for use within the County (collectively, Butte's Wholesale Contractors). Their historic water supply agreements allow each company to increase its fixed contracted water amount in five-year increments with the next five-year increments commencing January 1, 2016, January 1, 2021, January 1, 2026, and January 1, 2031; paragraph 4.2.3 of the Agreement recognized these scheduled dates relate to dates that Butte would provide Palmdale specific quantities of Additional Water that would be made available during each 5-year interval.
  - 2.3 Subsequent to the Agreement, on July 29, 2014, Butte approved agreements with the California Department of Water Resources and Cal Water to transport up to 3,000 acre feet of non-project water through SWP facilities, which will meet Cal Water's total current demand. In addition, pursuant to the 2014 Area of Origin Settlement Agreement, Butte has firmed up their local SWP supplies allowing Del Oro to order less Table A water from Butte. As a result, Butte's in-county Table A water needs fluctuate resulting in a varying quantity of water above local needs that could be classified as Additional Water.

- 2.3 In 2012, an Initial Study and Negative Declaration were prepared under CEQA that was consistent with the LOI for the 10-year lease with Extended Terms. The CEQA documents (SCH #2012051062) were distributed for public review and following board actions, a Notice of Determination was filed with the State Clearinghouse and other appropriate agencies on or about July 11, 2012.
4. Amendment. In consideration of the mutual promises contained in this Amendment, the parties agree:
- 4.1 Low SWP Allocation. Once during the any ten-year period of the Term or extensions thereof, if the SWP allocation is below thirty-five percent (35.0%), Palmdale shall have the option of deferring the per acre-foot charge in paragraph 4.4 of the Agreement. The Payment associated with the per acre foot charge shall be paid in equal installments of twenty percent (20.0%) each year over the subsequent 5 years; installment payments bear an interest rate equivalent to the escalator percentage in effect during the year that the paragraph 4.4 charge was deferred.
- 4.2 Paragraph 4.2.3 (Additional Water) of the Agreement shall be revised as follows:
- (a) By September 20 of each year, Butte shall notify Palmdale of the water needs of Butte's Wholesale Contractors for the following calendar year, such that any SWP water allocation above the needs of Butte's Wholesale Contractors shall be made available to Palmdale and/or the Westside Districts in accordance with their respective October 23, 2013 agreements with Butte.
  - (b) Palmdale agrees to lease all Additional Water on the same terms and conditions as set forth in the Agreement, which allows Palmdale Right of First Refusal up to and including 41.667% of such Additional Water.
  - (c) Nothing in this Agreement is intended to prevent the Westside Districts and Palmdale Water District from shifting Additional Water between themselves subject to the approval of DWR. Annual Payments to Butte shall not be adjusted or affected by any such arrangements.
  - (d) Omission of Section 4.3 regarding available quantity of water reviewed and/or changed every five years due to new language in §4.2.a.

**County of Butte, California**

By:   
**DOUG TEETER, Chair**

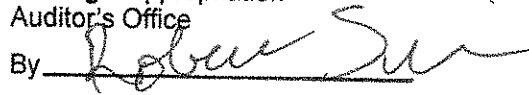
Approved as to Form:  
By:  8/6/14  
**Bruce Alpert, County Counsel**

**Palmdale Water District**

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

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

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

By: 



COUNTY OF BUTTE

R 41460

CONTRACT NO.

4.04

10/22/13

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

1. Identification. This Agreement is made and entered into as of the 23<sup>rd</sup> day of October, 2013, by and between the County of Butte, California ("Butte") and Palmdale Water District ("PWD" or "Palmdale") and is based upon the following recitals of fact. Palmdale and Butte are both State Water Project ("SWP") contractors.
2. Recitals and Definitions.
  - 2.1 PWD needs one hundred percent (100%) of the water derived from its SWP Table A amount (21,300 acre-feet) on a long-term basis. In January 2012, the Department of Water Resources ("DWR") issued The State Water Project Delivery Reliability Report 2011 that projected the long-term water delivery allocation of SWP Table A amount at sixty-one percent (61%) reliability. Based on DWR's projections, PWD needs an additional eight thousand five hundred and twenty (8,520) acre-feet of water supplies on average each year to offset the reduction in reliability from its SWP contract. PWD desires to lease a portion of Butte's Surplus Table A Amount to increase the quantity of SWP water Palmdale will receive during the Term of this Agreement.
  - 2.2 As a part of the settlement agreement by Butte in the case of Solano County Water Agency, et al. v. Department of Water Resources filed in Sacramento County Superior Court ("SCWA v. DWR"), DWR agreed to approve the lease under this Agreement subject to completion of an analysis under the California Environmental Quality Act ("CEQA") and approval of the settlement agreement by all parties to SCWA v. DWR, all of which has now occurred.
  - 2.3 Butte provides water to the Del Oro Water Company and the California Water Service Company for use within the county (collectively, "Butte's Wholesale Contractors"). Their respective water supply agreement allows each company to increase its fixed contracted water amount in five-year increments with the next five-year increments commencing January 1, 2016, January 1, 2021, January 1, 2026, and January 1, 2031.
  - 2.4 It is the expressed goal of each of the parties to maintain a long-term agreement that continues to be mutually beneficial to both parties.
  - 2.5 Definitions. As used in this Agreement, the following words and phrases shall have the following meanings:
    - 2.5.1 "Additional Water" shall have the meaning set forth in Section 4.2.3(a).

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

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

- 2.5.3 "Delta Water Charge" shall mean the sum of the per acre foot charges for the Capital Cost Component and Minimum O.M.P.&R. Component for the Delta Water Charge as shown on the applicable annual DWR Invoice for the County of Butte.
- 2.5.4 "DWR Agreement" shall mean that separate agreement among Palmdale, Butte, and DWR, which agreement governs the delivery of the SWP water derived from the Palmdale's Leased Table A Amount to Palmdale.
- 2.5.5 "Extended Term" shall have the meaning set forth in Section 4.1.
- 2.5.6 "Force Majeure" shall have the meaning set forth in Section 4.8.
- 2.5.7 "SWP water derived from the Palmdale's Leased Table A Amount" shall mean Palmdale's Leased Table A Amount adjusted by the then current SWP Table A allocation and further adjusted by any losses or other water deductions to the extent authorized by Palmdale's Water Supply Contract or by any agreement with DWR related to this Agreement.
- 2.5.8 "Palmdale's Leased Table A Amount" shall mean forty-one and two-thirds percent (41.667%) of the Surplus Table A Amount without adjustment for any annual changes in SWP Table A allocations. During the Term of this Agreement, Palmdale's Leased Table A Amount shall be adjusted as specified in Section 4.3 of this Agreement. Palmdale's Leased Table A Amount shall also include any Additional Water pursuant to Section 4.2.3 of this Agreement.

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

- 2.5.9 "Westside Districts" shall mean collectively Belridge Water Storage District ("BWSD"), Berrenda Mesa Water District ("BMWD"), Dudley

Ridge Water District ("DRWD"), Lost Hills Water District ("LHWD"), and Wheeler Ridge – Maricopa Water Storage District ("WRMWS").

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

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

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

3.3 CEQA Compliance.

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

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

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

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



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

4.2 Lease of Table A Water.

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

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

4.2.3 Additional Water.

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

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

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

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

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

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

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

4.4 Water Rates and Annual Payment to Butte.

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

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

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

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

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

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

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

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

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

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

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

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

4.10 Liability; Indemnity.

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

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

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

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

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

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

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

County of Butte, California

By: Bill Connelly  
Its: Chair of Board

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

By: Rebecca P. [Signature] 10/2/13

Palmdale Water District

By: [Signature]  
Its: President, Board of Directors

APPROVED AS TO FORM  
Butte County Counsel

By: [Signature]

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

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

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

(in dollars)

Sheet 4 of 4

Calendar Year	SOUTHERN CALIFORNIA AREA (continued)				FEATHER RIVER AREA				South Bay Area Future Contractor	GRAND TOTAL
	San Geronimo Pass Water Agency	The Metropolitan Water District of Southern California	Ventura County Watershed Protection District	Total	City of Yuba City	County of Butte	Plumas County FC&WCD	Total		
	[30]	[31]	[32]	[33]	[34]	[35]	[36]	[37]	[38]	[39]
1971	0	0	0	0	0	0	0	0	0	0
1972	0	0	0	0	0	0	0	0	0	0
1973	0	0	0	0	0	0	0	0	0	0
1974	0	0	0	0	0	0	0	0	0	0
1975	0	0	0	0	0	0	0	0	0	0
1976	0	0	0	0	0	0	0	0	0	0
1977	0	0	0	0	0	0	0	0	0	0
1978	0	0	0	0	0	0	0	0	0	0
1979	0	0	0	0	0	0	0	0	0	0
1980	0	0	0	0	0	0	0	0	0	0
1981	0	0	0	0	0	0	0	0	0	0
1982	0	0	0	0	0	0	0	0	0	0
1983	0	0	0	0	0	0	0	0	0	0
1984	0	0	0	0	0	0	0	0	0	0
1985	0	0	0	0	0	0	0	0	0	0
1986	0	0	0	0	0	0	0	0	0	0
1987	0	0	0	0	0	0	0	0	0	0
1988	24,019	2,642,354	18,118	3,150,527	1,336	552	853	2,741	0	4,317,328
1989	42,040	4,587,841	34,565	5,584,840	0	918	1,454	2,372	0	7,583,021
1990	36,023	4,037,960	34,994	4,917,308	2,535	800	1,283	4,618	0	6,760,020
1991	69,122	6,259,893	54,115	7,642,536	9,945	1,243	2,027	13,215	0	10,510,879
1992	80,131	8,435,312	72,662	10,351,553	13,671	1,710	2,805	18,187	0	14,255,568
1993	84,371	8,535,273	76,559	10,904,435	14,608	1,827	3,028	19,461	0	15,068,309
1994	85,698	8,576,755	76,794	10,959,041	14,409	1,801	3,070	19,280	0	15,145,890
1995	101,782	10,539,433	90,435	12,943,657	16,957	2,119	3,704	22,780	0	18,013,168
1996	124,074	12,810,361	109,783	15,730,703	20,840	2,580	4,621	27,841	0	21,369,050
1997	28,259	13,168,230	112,960	18,102,652	21,382	2,674	4,872	28,928	0	21,870,359
1998	27,174	12,662,268	108,619	15,483,941	20,562	2,571	4,685	27,818	0	21,126,182
1999	53,545	17,454,651	149,123	21,687,363	28,348	3,543	6,765	38,656	0	29,200,536
2000	70,117	19,805,800	168,259	25,135,876	32,271	9,794	7,996	50,061	0	33,737,389
2001	69,091	19,490,499	165,580	24,761,444	31,757	9,638	7,889	49,284	0	33,418,720
2002	71,126	20,091,004	170,682	25,534,301	32,736	9,935	8,112	50,783	0	34,452,482
2003	74,093	20,920,403	177,728	26,588,412	34,067	10,345	8,446	52,878	0	35,674,763
2004	74,138	20,941,743	177,910	26,615,534	34,121	10,356	8,456	52,933	0	35,811,383
2005	69,992	19,770,593	167,960	25,127,082	32,213	9,776	7,983	49,972	0	33,963,044
2006	75,738	20,330,228	181,750	27,239,381	34,858	10,579	8,838	54,075	0	36,735,870
2007	45,192	12,752,863	118,415	17,607,615	22,362	7,007	5,579	34,948	0	23,637,874
2008	250,531	19,303,204	173,581	26,204,054	32,180	9,751	7,973	49,904	0	35,188,221
2009	78,806	21,153,536	189,110	28,342,493	36,270	11,008	8,988	66,266	0	38,172,255
2010	75,405	20,240,944	180,952	27,252,635	34,705	10,532	8,600	53,837	0	36,525,441
2011	81,440	21,860,932	195,434	28,437,805	37,482	11,375	9,289	58,146	0	39,448,783
2012	365,251	38,630,016	324,481	49,837,873	69,875	171,404	28,988	252,745	0	69,250,427
2013	395,799	39,971,232	351,635	52,341,345	64,961	169,587	23,079	274,127	0	73,234,606
2014	418,597	42,282,189	371,965	55,281,801	68,717	195,846	24,413	288,976	0	77,988,722
2015	439,922	44,437,258	390,924	58,077,990	72,218	208,579	29,858	304,756	0	81,417,183
2016	442,094	44,847,576	392,774	58,382,873	72,561	207,858	29,779	305,198	0	81,802,531
2017	435,872	44,028,182	387,325	57,543,354	71,554	204,074	29,421	301,849	0	80,667,698
2018	391,474	39,843,460	347,872	51,681,361	64,266	164,305	22,832	271,193	0	72,450,848
2019	412,955	41,113,235	360,960	54,517,784	67,702	194,167	24,985	286,074	0	76,426,276
2020	389,133	39,307,025	345,792	51,272,349	63,822	182,695	22,995	269,512	0	72,017,938
2021	387,709	39,153,154	344,525	51,184,984	63,644	182,625	22,817	268,586	0	71,753,969
2022	374,031	37,781,377	332,471	49,587,910	61,442	175,893	21,815	259,150	0	69,272,374
2023	374,778	37,858,798	333,154	49,771,338	61,625	175,844	21,838	259,307	0	69,360,533
2024	363,851	36,754,246	323,235	48,086,335	59,743	171,113	21,222	252,078	0	67,340,397
2025	332,395	33,606,300	299,540	43,932,954	54,816	165,454	19,404	230,174	0	61,572,622
2026	317,501	31,475,511	278,857	41,171,857	51,154	155,535	18,124	214,813	0	57,868,071
2027	240,499	24,391,384	207,848	34,938,771	38,853	109,150	13,557	151,560	0	43,011,375
2028	239,554	24,252,636	206,869	34,100,755	37,599	107,333	13,471	151,403	0	42,882,244
2029	237,421	23,915,308	205,403	33,795,328	36,184	105,182	13,303	149,150	0	42,593,594
2030	234,344	23,621,984	203,258	33,449,777	34,814	103,098	13,142	146,958	0	42,340,112
2031	231,166	23,327,770	201,023	33,109,959	33,484	101,014	12,981	144,779	0	42,091,760
2032	227,974	23,033,556	198,788	32,769,318	32,154	98,930	12,820	142,604	0	41,843,407
2033	224,782	22,739,342	196,553	32,428,677	30,824	96,846	12,659	140,429	0	41,595,054
2034	221,590	22,445,128	194,318	32,088,036	29,494	94,762	12,498	138,254	0	41,346,702
2035	218,398	22,150,914	192,083	31,747,395	28,164	92,678	12,337	136,079	0	41,098,350
TOTAL	6,658,432	1,043,115,971	9,113,383	1,354,258,616	1,687,999	3,375,309	637,702	5,801,010	0	1,876,553,642



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

**Estimated 2014 Water Rate Payment for Palmdale Water District<sup>3</sup>**

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

<sup>1</sup> Per Table B-21, Bulletin 132-13

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

<sup>3</sup> For simplification of calculation, table assumes no Additional Water per §4.2.3

**Hypothetical 2020 Water Rate Payment for Palmdale Water District<sup>3</sup>**

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

<sup>1</sup> Per Table B-21, Bulletin 132-19 (assumed)

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

<sup>3</sup> For simplification of calculation, assumes no Additional Water per §4.2.3

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

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** September 4, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Matthew R. Knudson, Assistant General Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 6.5 – APPROVAL OF RESOLUTION NO. 14-15  
APPROVING THE ANTELOPE VALLEY STATE WATER  
CONTRACTORS ASSOCIATION BUDGET FOR FISCAL YEAR 2014/15***

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**Recommendation:**

Staff recommends the Board approve Resolution No. 14-15 for the Antelope Valley State Water Contractors Association (AVSWCA) budget for fiscal year 2014/15.

**Background:**

AVSWCA staff prepared the proposed AVSWCA 2014/15 budget and reviewed it with Commissioner Thibault (AVSWCA Treasurer), and the Commissioners for the AVSWCA approved the budget at their July 24, 2014 meeting. Per the Joint Powers Agreement that created the AVSWCA, the governing body of each member agency must also approve the budget. The budget is then deemed effective upon receipt by the AVSWCA of certified copies of the approving resolution from each member agency.

The proposed budget has been broken into two categories: General Operating Funds and Restricted Funds (USGS Groundwater Monitoring Program and the Antelope Valley Integrated Regional Water Management Plan).

On the Expenditure side for the General Operating Funds, the categories include:

- Insurance: Liability insurance for the Association obtained through ACWA/JPIA
- Memberships: Membership in ACWA
- Miscellaneous: Includes all miscellaneous expenses not covered in other Association accounts (business cards, meals, etc.)
- Outreach: Includes the website, possible purchase of a tabletop display, promotional items, and event fees
- Contract Services: (Administration) - Services provided by AVEK (Tom Barnes – Controller) and PWD (Dawn Deans – Executive Assistant, Danielle Henry – Administrative Assistant, Matthew Knudson – General Manager, Dennis Hoffmeyer – Finance)

On the Expenditure side for the Restricted Funds (USGS Groundwater Monitoring and CASGEM Program), the categories include:

September 4, 2014

- **Contract Services: (USGS)** - Consulting engineering services for a Joint Funding Agreement with the USGS for groundwater monitoring within the Antelope Valley. This also includes the collection of data to comply with the California Statewide Groundwater Elevation Monitoring Program.

On the Expenditure side for the Restricted Funds (AV Integrated Regional Water Management Plan), the categories include:

- **Contract Services: (AV-IRWMP)** - Consulting engineering services for work related to the Antelope Valley Integrated Regional Water Management Plan (on behalf of the Regional Water Management Group and the AV-IRWMP).

Per the bylaws of the Association, the first \$30,000 of member agency contributions is split evenly to cover General Operating Costs. Therefore, it is recommended that each of the three member agencies contribute \$8,000 in Fiscal Year 2014/2015 to the Association's General Operating Fund to cover the proposed 2014/2015 General Operating Costs of \$24,000.

The Association's share of the USGS groundwater monitoring program is estimated to be \$76,725.00 in order to make the Association whole on the commitments with the USGS. The Association's current policy for funding this program is to use State Water Project Table "A" amounts to determine the split among the member agencies. Based on this policy, the \$76,725.00 would be split among the member agencies as follows:

AVEK:	\$ 65,753.00 (85.7%)
PWD:	\$ 9,898.00 (12.9%)
LCID:	<u>\$ 1,074.00 (1.4%)</u>
Total =	\$ 76,725.00

Based on the General Operating Fund contributions, and the contributions for the USGS program, the following is the total amount each of the member agencies must commit if the attached 2014/2015 Budget is approved:

The total contribution for AVEK in 2014/15 will be \$73,753.00.  
The total contribution for PWD in 2014/15 will be \$17,898.00.  
The total contribution for LCID in 2014/15 will be \$9,074.00.

**Strategic Plan Initiative:**

Strategic Initiative No. 4 – Regional Leadership

**Budget:**

The District's contribution to the AVSWCA is from Account 1-02-4165-000 (Memberships/Subscriptions) in the amount of \$8,000.00 and from Account 1-02-4110-000 (Consultants) in the amount of \$9,898.00.

**Supporting Documents:**

- Resolution No. 14-15 and AVSWCA budget for fiscal year 2014/2015

**RESOLUTION NO. 14-15**

**APPROVING ANTELOPE VALLEY  
STATE WATER CONTRACTORS ASSOCIATION  
BUDGET FOR FISCAL YEAR 2014/15**

WHEREAS, the Palmdale Water District, along with the Antelope Valley-East Kern Water Agency and the Littlerock Creek Irrigation District, is a member agency of the Antelope Valley State Water Contractors Association formed by a Joint Powers Agreement dated May 26, 1999; and

WHEREAS, said Joint Powers Agreement provides for the formulation and adoption of a Budget for the Antelope Valley State Water Contractors Association and approval by members of said budget; and

WHEREAS, the Antelope Valley State Water Contractors Association unanimously adopted a budget for fiscal year 2014/15 at their regular meeting held July 24, 2014 which budget included an allocation among the member agencies.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District hereby approves the 2014/15 budget and allocation of budgeted funds adopted by the Antelope Valley State Water Contractors Association.

**I certify that this is a true copy of Resolution No. 14-15 as passed by the Board of Directors of the Palmdale Water District at its meeting held September 10, 2014 in Palmdale, California.**

Date: \_\_\_\_\_, 2014

\_\_\_\_\_  
Kathy Mac Laren, President,  
Board of Directors

ATTEST:

\_\_\_\_\_  
Joe Estes, Secretary,  
Board of Directors

# ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

## General Operating Funds

Proposed Budget - FY 2014/15

	FY 2009/10 ACTUAL	FY 2010/11 ACTUAL	FY 2011/12 ACTUAL	FY 2012/13 ACTUAL	FY 2013/14 ACTUAL	FY 2014/15 PROPOSED BUDGET
<b>Revenues:</b>						
Member Contributions	\$ 21,000.00	\$ 18,000.00	\$ 18,000.00	\$ -	\$ 18,000.00	\$ 24,000.00
Interest Earnings	74.25	752.09	264.40	81.61	49.81	50.00
Revenue - Refund/Misc					3,550.80	.
<b>Total Revenue</b>	<u>\$ 21,074.25</u>	<u>\$ 18,752.09</u>	<u>\$ 18,264.40</u>	<u>\$ 81.61</u>	<u>\$ 21,600.61</u>	<u>\$ 24,050.00</u>
<b>Expenditures:</b>						
Insurance (ACWA/JPIA)	\$ 1,887.00	\$ 1,815.00	\$ 2,183.00	\$ 2,133.02	\$ 2,183.00	\$ 2,350.00
Memberships (ACWA)	1,520.00	1,435.00	1,560.00	1,625.00	1,755.00	1,900.00
Outreach (Web Site, Community Activities)	540.00	1,145.00	2,603.00	648.00	788.00	3,000.00
Miscellaneous (Bank Fees, Refreshments, Etc.)	50.34	-	98.95	88.50	369.07	500.00
Contract Services - Administration	14,228.28	13,079.60	17,933.21	7,254.90	11,984.73	12,000.00
Contract Services - Financial Audit	2,000.00	-	-	-	6,000.00	4,000.00
<b>Total Expenditures</b>	<u>\$ 20,225.62</u>	<u>\$ 17,474.60</u>	<u>\$ 24,378.16</u>	<u>\$ 11,749.42</u>	<u>\$ 23,079.80</u>	<u>\$ 23,750.00</u>
<b>Net Income (Loss)</b>	<u>\$ 848.63</u>	<u>\$ 1,277.49</u>	<u>\$ (6,113.76)</u>	<u>\$ (11,667.81)</u>	<u>\$ (1,479.19)</u>	<u>\$ 300.00</u>

# ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

## Restricted Funds

Proposed Budget - FY 2014/15

### USGS GROUNDWATER MONITORING AND CASGEM PROGRAM

	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 ACTUAL	FY 2011/12 ACTUAL	FY 2012/13 ACTUAL	FY 2013/14 ACTUAL	FY 2014/15 PROPOSED BUDGET
<b>Revenues:</b>							
Member Contributions - USGS	\$ 55,200.00	\$ 56,750.00	\$ 60,000.00	\$ -	\$ 54,500.00	\$ 89,400.00	\$ 76,725.00
Member Contributions - CASGEM	-	-	-	-	7,750.00	-	-
<b>Total Revenue</b>	<u>\$ 55,200.00</u>	<u>\$ 56,750.00</u>	<u>\$ 60,000.00</u>	<u>\$ -</u>	<u>\$ 62,250.00</u>	<u>\$ 89,400.00</u>	<u>\$ 76,725.00</u>
<b>Expenditures:</b>							
Contract Services - USGS	\$ 27,600.00	\$ 55,975.00	\$ 56,900.00	\$ 55,775.00	\$ 27,250.00	\$ 56,050.00	\$ -
Contract Services - USGS (Prior Year)							89,400.00
Contract Services - CASGEM	-	-	-	-	2,104.50	-	-
<b>Total Expenditures</b>	<u>\$ 27,600.00</u>	<u>\$ 55,975.00</u>	<u>\$ 56,900.00</u>	<u>\$ 55,775.00</u>	<u>\$ 29,354.50</u>	<u>\$ 56,050.00</u>	<u>\$ 89,400.00</u>
<b>Net Income (Loss)</b>	<u>\$ 27,600.00</u>	<u>\$ 775.00</u>	<u>\$ 3,100.00</u>	<u>\$ (55,775.00)</u>	<u>\$ 32,895.50</u>	<u>\$ 33,350.00</u>	<u>\$ (12,675.00)</u>

AVEK Contribution =	\$ 65,753.00
PWD Contribution =	9,898.00
LCID Contribution =	<u>1,074.00</u>
	\$ 76,725.00

# ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

## Restricted Funds

Proposed Budget - FY 2014/15

### AV INTEGRATED REGIONAL WATER MANAGEMENT PLAN (AVIRWMP)

	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 ACTUAL	FY 2011/12 ACTUAL	FY 2012/13 ACTUAL	FY 2013/14 ACTUAL	FY 2014/15 PROPOSED BUDGET
<b>Revenues:</b>								
AV Regional Water Management Group	\$ 55,000.00	\$ -	\$ 131,278.33	\$ -	\$ -	\$ -	\$ -	\$ -
AV IRWMP 2013 Update (Prop. 84 Grant)	-	-	-	-	28,729.56	63,948.84	54,714.84	325,000.00
<b>Total Revenue</b>	<u>\$ 55,000.00</u>	<u>\$ -</u>	<u>\$ 131,278.33</u>	<u>\$ -</u>	<u>\$ 28,729.56</u>	<u>\$ 63,948.84</u>	<u>\$ 54,714.84</u>	<u>\$ 325,000.00</u>
<b>Expenditures:</b>								
Contract Services - AVRWMG	\$ 11,707.30	\$ 9,833.93	\$ 6,959.12	\$ 47,269.00	\$ -	\$ -	\$ 48,656.77	\$ -
Contract Services - AVRWMG (Contract Commitments)	-	-	-	-	-	-	-	39,416.33
Contract Services - IRWMP 2013 Update	-	-	-	-	25,736.78	72,197.27	-	325,000.00
<b>Total Expenditures</b>	<u>\$ 11,707.30</u>	<u>\$ 9,833.93</u>	<u>\$ 6,959.12</u>	<u>\$ 47,269.00</u>	<u>\$ 25,736.78</u>	<u>\$ 72,197.27</u>	<u>\$ 48,656.77</u>	<u>\$ 364,416.33</u>
<b>Net Income (Loss)</b>	<u>\$ 43,292.70</u>	<u>\$ (9,833.93)</u>	<u>\$ 124,319.21</u>	<u>\$ (47,269.00)</u>	<u>\$ 2,992.78</u>	<u>\$ (8,248.43)</u>	<u>\$ 6,058.07</u>	<u>\$ (39,416.33)</u>


	<u>Revenue</u>	<u>Expenditures</u>	<u>Income(Loss)</u>	
AVRWMG	\$ 186,278.33	\$ 124,426.12	\$ 61,852.21	
Grant Funds	147,393.24	97,934.05	49,459.19	
	<u>\$ 333,671.57</u>	<u>\$ 222,360.17</u>	<u>\$ 111,311.40</u>	AVRWMG Portion in Bank (Remaining Group & Grant Funds)



**ANTELOPE VALLEY STATE WATER CONTRATORS ASSOCIATION**  
**Antelope Valley Water Management Group**  
**Consulting Funds**

<b>Date</b>	<b>Description</b>	<b>Amount</b>
<b>Revenues:</b>		
2/19/2008	Antelope Valley - East Kern Water Agency	\$ 5,000.00
2/19/2008	Antelope Valley BIA	5,000.00
2/19/2008	City of Lancaster	5,000.00
3/7/2008	City of Palmdale	5,000.00
4/24/2008	LA County Sanitation District 14	5,000.00
4/24/2008	LA County Sanitation District 20	5,000.00
5/5/2008	LA County Waterworks District 40	5,000.00
3/7/2008	Littlerock Creek Irrigation District	5,000.00
3/7/2008	Palmdale Water District	5,000.00
2/19/2008	Quartz Hill Water District	5,000.00
3/20/2008	Rosamond Community Services District	5,000.00
9/28/2009	LA County Waterworks District 40 - Funds Transfer	131,278.33
<b>Total Revenue:</b>		<b>\$ 186,278.33</b>
<b>Expenditures:</b>		
5/15/2008	Kennedy/Jenks Consultants (Invoice # 31842)	\$ (7,347.69)
6/18/2008	Kennedy/Jenks Consultants (Invoice # 32971)	(4,359.61)
6/11/2009	Kennedy/Jenks Consultants (Invoice # 39996)	(9,833.93)
7/9/2009	Kennedy/Jenks Consultants (Invoice # 40960)	(6,179.77)
8/13/2009	Kennedy/Jenks Consultants (Invoice # 41802)	(779.35)
9/9/2010	RMC Agreement (Planning Grant Application)	(17,349.00)
4/20/2011	RMC Agreement Amargosa Creek (Invoice 12161)	(3,715.69)
5/19/2011	RMC Agreement Amargosa Creek (Invoice 12161)	(11,715.00)
6/30/2011	RMC Agreement Amargosa Creek (Invoice 12496)	(14,489.31)
2/14/2013	RMC Agreement Littlerock Sediment, Proposition 1E Grant Application	(28,840.00)
3/4/2013	RMC Agreement Boron CSD, Proposition 84, Round 2	(19,970.00)
2/27/2014	RMC As Needed Contract	(8,642.00)
5/30/2014	RMC Agreement LACWWD Arsenic Treatment, Prop. 84, Round 3, Part 1	(29,590.00)
6/30/2014	PWD Re-imbursement - AV Press Ads (Public Notices - June 25 & 30)	(1,031.10)
<b>Total Expenses:</b>		<b>\$ (163,842.45)</b>
<b>Current Balance:</b>		<b>\$ 22,435.88</b>

 = Total Contract Amount (Portion Remaining to be paid \$1,184.33)

 = Commitment Contract Approved

**PALMDALE  
WATER DISTRICT  
BOARD MEMORANDUM**

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**DATE:** August 27, 2014 September 10, 2014  
**TO:** BOARD OF DIRECTORS Board Meeting  
**FROM:** Mr. Bob Egan, Financial Advisor  
**RE:** *AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT  
AND CURRENT CASH BALANCES AS OF JULY 31, 2014*

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Attached is the Investment Funds Report and current cash balance as of July 31, 2014. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT  
INVESTMENT FUNDS REPORT

		July 31, 2014				July-14	June-14
	DESCR						
<b>CASH</b>							
0-0103	Citizens/US Bank - Checking					214,505.21	495,738.34
0-0104	Citizens- Merchant					72,125.64	66,680.72
					Bank cash	286,630.85	562,419.06
0-0119	PETTY CASH					300.00	300.00
0-0120	CASH ON HAND					3,400.00	3,400.00
	<b>TOTAL CASH</b>					<b>290,330.85</b>	<b>566,119.06</b>
<b>INVESTMENTS</b>							
0-0110	UBS ACCOUNT SS 11469 GG						
	UBS RMA Government Portfolio					5,410,192.23	5,329,827.35
	UBS Bank USA Dep acct					250,000.00	250,000.00
		Accrued interest				507.47	208.71
						5,660,699.70	5,580,036.06
		CD'S	Due	Rate	Face Value		
	1	Homestreet Bk WA	12/08/14	2.00	240,000	239,791.20	239,712.00
	2	Discover Bk DE	12/11/14	0.25	240,000	239,824.80	239,755.20
	3	Bk of China NY US	12/11/14	0.25	240,000	239,824.80	239,755.20
	4	Berkshire Bk MA	12/12/14	0.25	240,000	239,738.40	239,647.20
	5	First B & T IL	12/15/14	0.15	240,000	239,774.40	239,692.80
	6	1st Niagra Bk NY	12/15/14	0.25	240,000	239,817.60	239,745.60
	7	Comentity Bk DE	12/18/14	0.30	200,000	199,624.00	200,000.00
	8	Peoples United CT	12/18/14	0.25	120,000	119,906.40	119,868.00
	9	Citizens Bk PA	12/18/14	0.30	240,000	239,856.00	239,791.20
					2,000,000	1,998,157.60	1,997,967.20
					Total acct	7,658,857.30	7,578,003.26
0-1110	UBS ACCOUNT SS 11475 GG						
	UBS Bank USA Dep acct					250,000.00	250,000.00
	UBS RMA Government Portfolio					210,361.87	210,349.17
					Total acct	460,361.87	460,349.17
0-0115	LAIF					11,725.92	11,719.46
0-0111	UBS ACCOUNT SS 11432 GG						
	UBS Bank USA Dep acct					85,915.96	82,912.44
	UBS RMA Government Portfolio					0.00	0.00
		Accrued interest				7,598.22	7,292.42
<b>US GOVERNMENT SECURITIES:</b>							
	ISSUE DATE	ISSUER	EXPIR DATE	RATE	PAR	MARKET VALUE	MARKET VALUE
		FNMA	10/26/2015	1.625	500,000	508,440.00	508,545.00
		FFCB	6/2/2016	0.375	1,000,000	997,740.00	997,400.00
		FNMA	7/17/2017	1.2	500,000	499,245.00	500,235.00
		FHLB	12/28/2017	0.95	500,000	493,090.00	494,590.00
					2,500,000	2,498,515.00	2,500,770.00
		CD'S	Due	Rate	Face Value		
	1	Bank of Baroda	11/12/14	0.45	240,000	240,000.00	239,990.40
	2	GE Capital Bank	05/01/15	0.60	64,000	64,023.68	64,010.24
	3	Ally Bank	05/06/15	0.60	240,000	240,081.60	240,024.00
	4	Sallie Mae Bank	11/06/15	0.85	240,000	240,436.80	240,415.20
	5	Goldman Sachs Bk	11/07/16	1.00	240,000	240,398.40	240,196.80
	6	CIT Bank	11/06/17	1.60	240,000	240,242.40	240,256.80
	7	BMW Bank	11/15/18	2.00	240,000	241,651.20	241,300.80
	8						
					1,504,000	1,506,834.08	1,506,194
					TOTAL MANAGED ACCOUNT	4,098,863.26	4,097,169.10
	<b>TOTAL INVESTMENTS</b>					<b>12,229,808.35</b>	<b>12,147,240.99</b>
	UBS ACCOUNT SS 24016			UBS USA		250,000.00	250,000.00
		Rate Stabilization Fund		UBS AG		230,125.46	230,104.34
						480,125.46	480,104.34
	<b>GRAND TOTAL CASH AND INVESTMENTS</b>					<b>13,000,264.66</b>	<b>13,193,464.39</b>
	Summary:						
	Checking	290,331		Incr (Decr)		(193,199.73)	
	UBS MM	8,119,219					
	LAIF	11,726					
	UBS Investment	4,098,863					
	Rate Stab fund	480,125		BNY Mellon			
	Total	13,000,265		Construction		6,257,721.59	7,352,177.22

8/13/2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	2014	
	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>YTD</u>
Water Sales	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	23,970,550
	1,649,955	1,630,351	1,685,802	1,701,439	1,914,996	2,081,078	2,314,930	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	
Beginning Balance	12,223,261	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	13,000,265	12,002,342	9,383,485	8,094,561	8,032,506	
Water Receipts	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,312,079	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	24,360,970
Other							278,100					0	278,100
Total Operating Revenue	1,955,377	1,805,677	1,780,736	1,691,040	1,777,997	2,046,064	2,590,179	2,407,000	2,455,000	2,288,000	2,076,000	1,766,000	
Operating Expenses:													
Total Operating Expenses excl GAC	2,060,493	1,411,384	1,720,101	1,345,880	1,547,374	1,502,338	2,169,377	2,171,600	2,196,000	2,196,000	1,830,000	1,708,000	21,858,547
													2,112,003
Non-Operating Revenue Expenses:													
Assessments, net	636,921	291,389	7,906	1,958,367	720,021	7,737	80,205	145,000			237,000	2,647,000	6,731,546
Special Avek CIF Payment													0
Interest	3,782	3,457	3,899	3,224	3,195	3,676	3,967	2,083	2,083	2,083	2,083	2,083	35,617
Mkt adj	10,554	1,203	(4,828)	6,915	2,763	(6,882)	(1,425)						8,300
Grant Re-imbursement													0
Capital Improvement Fees		2,538				0							2,538
													0
DWR Refund/( payment )					133,539								133,539
Other /Palmdale Redevel Agency	10,079	52,154	16,438	10,677	298,812	12,623	14,145	14,145	15,000	15,000	15,000	15,000	489,074
Total Non-Operating Revenues	661,336	350,742	23,415	1,979,183	1,158,329	17,154	96,893	161,228	17,083	17,083	254,083	2,664,083	7,400,614
Capital Expenditures	(106,595)	(13,862)	(321,802)	(119,918)	(533,132)	(104,335)	(61,504)	(960,543)	(346,000)	(252,000)	(88,130)	(21,760)	(2,929,581)
GAC								(300,000)	(300,000)	(340,000)	(340,000)		(1,280,000)
SWP Capitalized	(578,181)	(118,142)	(142,503)	(118,142)	(118,141)	(118,140)	(578,178)	(118,140)	(146,976)	(118,140)	(118,140)	(118,139)	(2,390,962)
Prepaid Insurance (paid) refunded			(67,580)				(36,620)			(165,000)			(269,200)
Bond Payments Interest			(1,126,124)						(1,118,296)				(2,244,420)
Principal			(504,974)						(967,800)				(1,472,774)
System Work for AVEK													0
Butte payments						(492,805)				(507,000)			(999,805)
Capital leases	(460)	(37,933)	(20,929)	(17,756)	(24,103)	(3,720)	(34,592)	(15,868)	(15,868)	(15,868)	(15,868)	(15,868)	(218,833)
Legal adjudication fees													0
Total Cash Ending Balance	12,094,245	12,669,343	10,569,481	12,638,008	13,351,585	13,193,464	13,000,265	12,002,342	9,383,485	8,094,561	8,032,506	10,598,822	(11,805,576)
											Budget	10,756,000	(2,292,959)
											diff	(157,178)	

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** August 27, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM 7.2 – DISCUSSION AND OVERVIEW OF FINANCIAL STATEMENTS, REVENUE AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR JULY 31, 2014***

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## **Discussion:**

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending July 31, 2014. Also included are Year-To-Year Comparisons and Month-To-Month Comparisons for both revenue and expense. Finally, I have provided individual departmental budget reports for the month of July, 2014.

This is the seventh month of the District's Budget Year 2014. The target percentage is 58%. Revenues ideally are at or above, and expenditures ideally are below.

## **Balance Sheet:**

- Page 1 is our balance sheet on July 31, 2014.
- The most significant change is the reduction in Property, Plant and Equipment of approximately \$763K due to accumulated depreciation.

## **Profit/Loss Statement:**

- Page 3 is our profit/loss statement on July 31, 2014.
- Operating revenue is at 53% of budget. In addition, reduced water sales for the seven month period has water sales at only 48% of budget.
- Cash operating expense is at 51% of budget.
- There are a couple departments that continue to be over the respective target which have been discussed in the past.

## **Year-To-Year Comparison P&L:**

- Page 7 is our comparison of July, 2013 to July, 2014.
- Total operating revenue is up \$37K, or 1.6%.
- Operating expenditures are down by \$486K, or 25%, due mostly to the purchase of GAC and prior year and receiving funds under Water Recovery.
- Depreciation in 2014 is \$425K more due to onetime depreciation write off of the Garden Bar Study and Recycled Water Master Plan.
- Page 8 is a graphic presentation of the water consumption comparison. Units billed in acre feet were up by 18, or .9%. Total revenue per unit sold is up \$0.02, or .8%, total revenue per connection is up \$1.83, or 2%, and units billed per connection is down .12, or .3%.

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

August 27, 2014

**Revenue Analysis Year-To-Date:**

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through July, 2014 is down \$186K.
- Retail water sales from all areas are up by \$30K from last year. That's shown by the combined green highlighted area. Water sales alone are down \$78K.
- Total revenue is up \$507K. This is due mostly to assessments received.
- Operating revenue through July, 2014 is at 53% of budget; last year we were at 57% of budget.

**Expense Analysis Year-To-Date:**

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through July, 2014 are up by \$936K, or 7%, compared to 2013 due to plant expenditures and the Wood settlement payment.
- Total Expenses are up \$628K, or 3%, for the same reasons.

**Departments:**

- Pages 14 through 22 are detailed budgets of each department.

**Non-Cash Definitions:**

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

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

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

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

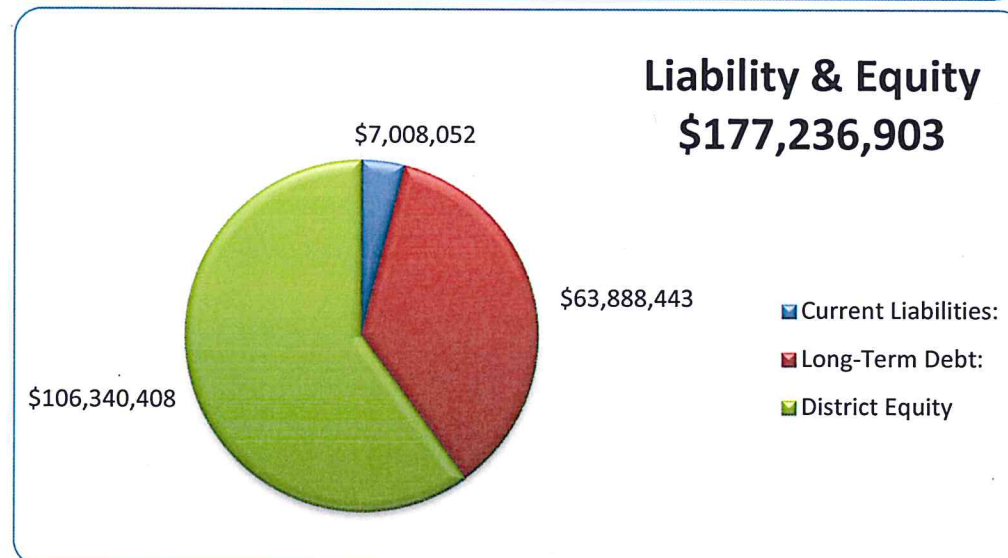
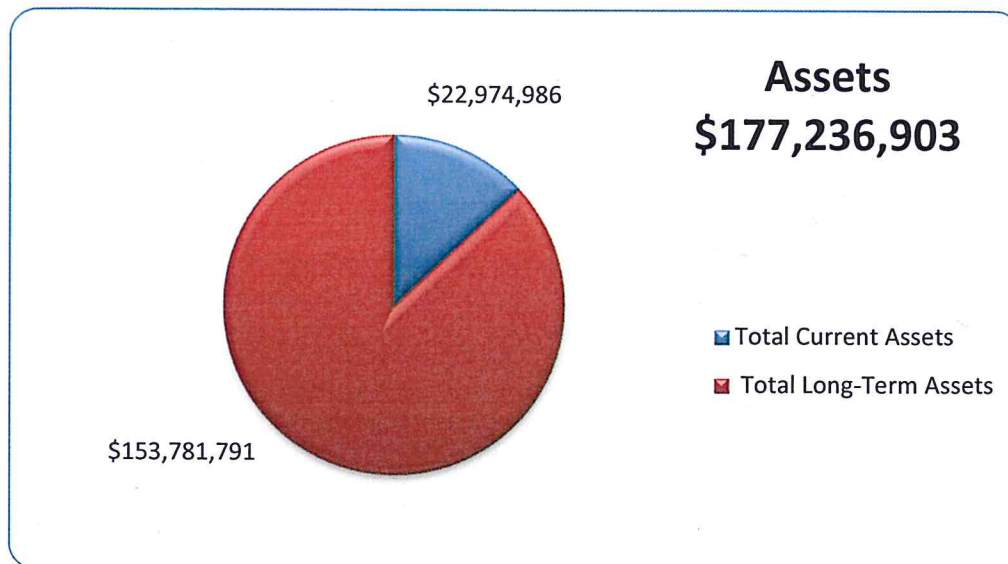
**Capitalized Construction:** The value of our labor force used to construct our asset infrastructure.

**Palmdale Water District**  
**Balance Sheet Report**  
**For the Seven Months Ending 7/31/2014**

	<u>July 2014</u>	<u>June 2014</u>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 290,331	\$ 566,119
Investments	12,229,808	12,147,241
2013A Bonds - Project Funds	6,257,722	6,257,563
	<u>\$ 18,777,861</u>	<u>\$ 18,970,923</u>
<b>Receivables:</b>		
Accounts Receivables - Water Sales	\$ 2,048,570	\$ 1,835,678
Accounts Receivables - Miscellaneous	46,269	43,763
Allowance for Uncollected Accounts	(214,349)	(214,349)
	<u>\$ 1,880,490</u>	<u>\$ 1,665,092</u>
Interest Receivable	\$ -	\$ -
Assessments Receivables	1,489,034	1,569,239
Meters, Materials and Supplies	718,777	734,389
Prepaid Expenses	108,824	94,254
<b>Total Current Assets</b>	<u><b>\$ 22,974,986</b></u>	<u><b>\$ 23,033,897</b></u>
<b>Long-Term Assets:</b>		
Property, Plant, and Equipment, net	\$ 113,673,456	\$ 114,437,203
Participation Rights in State Water Project, net	39,875,117	38,963,644
2013A Bonds - Insurance & Surety Bond	233,218	233,885
	<u><b>\$ 153,781,791</b></u>	<u><b>\$ 153,634,731</b></u>
<b>Restricted Cash:</b>		
Rate Stabilization Fund	480,125	480,104
<b>Total Long-Term Assets &amp; Restricted Cash</b>	<u><b>\$ 154,261,917</b></u>	<u><b>\$ 154,114,836</b></u>
<b>Total Assets</b>	<u><b>\$ 177,236,903</b></u>	<u><b>\$ 177,148,732</b></u>
<b>LIABILITIES AND DISTRICT EQUITY</b>		
<b>Current Liabilities:</b>		
Current Interest Installment of Long-term Debt	\$ 745,506	\$ 559,123
Current Principal Installment of Long-term Debt	1,137,998	1,137,998
Accounts Payable and Accrued Expenses	5,327,095	4,929,699
Deferred Assessments	(202,547)	(122,342)
<b>Total Current Liabilities</b>	<u><b>\$ 7,008,052</b></u>	<u><b>\$ 6,504,479</b></u>
<b>Long-Term Debt:</b>		
Pension-Related Debt	\$ 1,084,487	\$ 1,084,487
OPEB Liability	8,522,408	8,373,509
2013A Water Revenue Bonds	43,942,726	43,944,977
2012 - Certificates of Participation	10,042,547	10,035,749
2011 - Capital Lease Payable	296,274	324,734
<b>Total Long-Term Liabilities</b>	<u><b>\$ 63,888,443</b></u>	<u><b>\$ 63,763,456</b></u>
<b>Total Liabilities</b>	<u><b>\$ 70,896,495</b></u>	<u><b>\$ 70,267,935</b></u>
<b>District Equity</b>		
Revenue from Operations	\$ (2,331,761)	\$ (1,791,372)
Retained Earnings	108,672,169	108,672,169
<b>Total Liabilities and District Equity</b>	<u><b>\$ 177,236,903</b></u>	<u><b>\$ 177,148,732</b></u>



## BALANCE SHEET AS OF JULY 31, 2014





**Palmdale Water District**  
**Consolidated Profit and Loss Statement**  
**For the Seven Months Ending 7/31/2014**

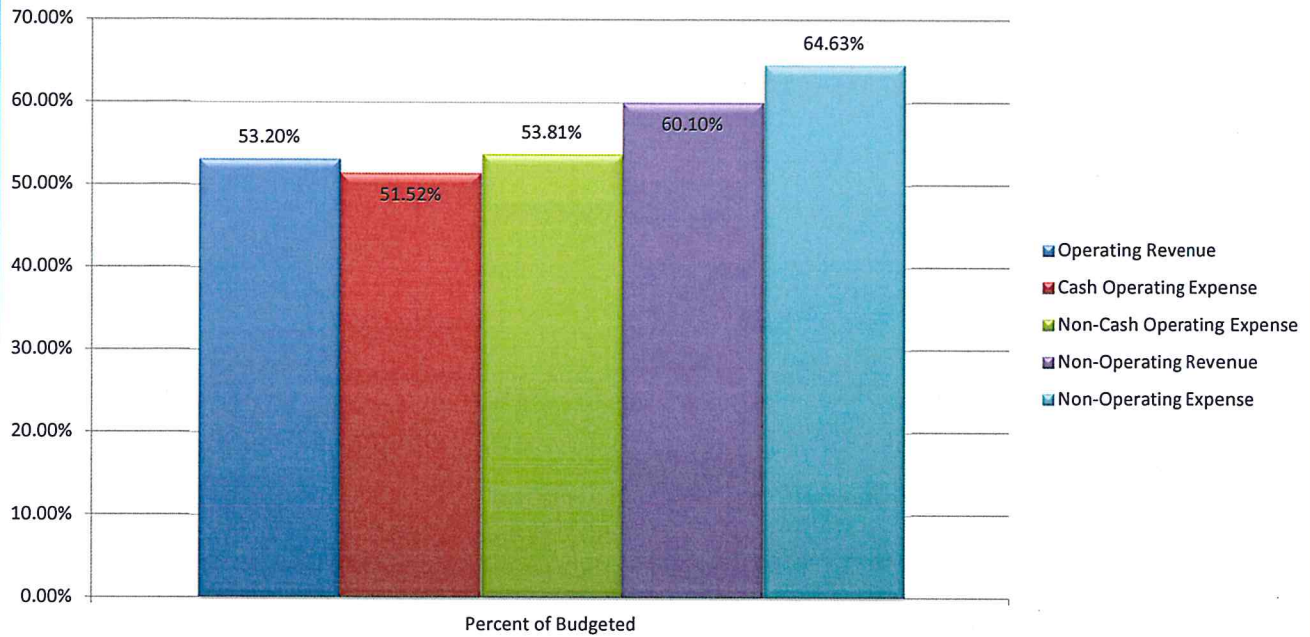
	Thru June	July	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>						
Wholesale Water	\$ 38,791	\$ 43,402	\$ 82,193		\$ 225,000	36.53%
Water Sales	3,414,720	974,152	4,388,871		9,053,000	48.48%
Meter Fees	5,632,568	947,584	6,580,152		11,255,000	58.46%
Water Quality Fees	673,805	185,525	859,330		1,638,000	52.46%
Elevation Fees	201,468	59,200	260,668		525,000	49.65%
Other	701,935	105,068	807,003		1,700,000	47.47%
<b>Total Water Sales</b>	<b>\$ 10,663,287</b>	<b>\$ 2,314,930</b>	<b>\$ 12,978,217</b>	<b>\$ -</b>	<b>\$ 24,396,000</b>	<b>53.20%</b>
<b>Cash Operating Expenses:</b>						
Directors	\$ 68,118	\$ 15,532	\$ 83,650		\$ 114,500	73.06%
Administration*	1,877,769	243,191	2,120,960	(40,000)	3,450,000	61.48%
Engineering	504,555	126,181	630,736		1,079,800	58.41%
Facilities	1,442,209	346,414	1,788,623		3,408,500	52.48%
Operations	2,579,642	557,331	3,136,973		5,453,500	57.52%
Finance	1,530,638	290,520	1,821,159		2,968,750	61.34%
Water Conservation	67,624	11,237	78,861		270,000	29.21%
Human Resources*	107,336	27,850	135,186	40,000	255,300	52.95%
Information Technology	408,623	62,346	470,968		828,600	56.84%
Water Purchases	1,217,657	34,362	1,252,019		2,400,000	52.17%
Water Purchases-Prior Year OAP	683	-	683		250,000	0.27%
Water Recovery	(88,565)	(302,201)	(390,766)		(100,000)	390.77%
Plant Expenditures	1,251,502	58,223	1,309,725		2,143,500	61.10%
GAC Filter Media Replacement	9,171	-	9,171		1,638,000	0.56%
<b>Total Cash Operating Expenses</b>	<b>\$ 10,976,961</b>	<b>\$ 1,470,988</b>	<b>\$ 12,447,949</b>	<b>\$ -</b>	<b>\$ 24,160,450</b>	<b>51.52%</b>
<b>Non-Cash Operating Expenses:</b>						
Depreciation	\$ 3,309,947	\$ 1,006,510	\$ 4,316,458		\$ 7,350,000	58.73%
OPEB Accrual Expense	1,001,250	166,875	1,168,124		2,000,000	58.41%
Bad Debts	24,604	172	24,776		100,000	24.78%
Service Costs Construction	5,873	(137,158)	(131,285)		125,000	
Capitalized Construction	(537,899)	(225,819)	(763,718)		(1,000,000)	76.37%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 3,803,774</b>	<b>\$ 810,580</b>	<b>\$ 4,614,355</b>	<b>\$ -</b>	<b>\$ 8,575,000</b>	<b>53.81%</b>
<b>Net Operating Profit/(Loss)</b>	<b>\$ (4,117,448)</b>	<b>\$ 33,362</b>	<b>\$ (4,084,086)</b>	<b>\$ -</b>	<b>\$ (8,339,450)</b>	<b>48.97%</b>
<b>Non-Operating Revenues:</b>						
Assessments (Debt Service)	\$ 2,749,948	\$ 63,234	\$ 2,813,181		\$ 4,400,000	63.94%
Assessments (1%)	1,120,518	16,971	1,137,490		1,800,000	63.19%
DWR Fixed Charge Recovery	133,539	-	133,539		100,000	133.54%
Interest	30,950	2,543	33,493		25,000	133.97%
Capital Improvement Fees	9,889	-	9,889		150,000	6.59%
State Grants	-	-	-		485,000	0.00%
Other	152,660	14,145	166,805		185,000	90.16%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,197,504</b>	<b>\$ 96,893</b>	<b>\$ 4,294,397</b>	<b>\$ -</b>	<b>\$ 7,145,000</b>	<b>60.10%</b>
<b>Non-Operating Expenses:</b>						
Interest on Long-Term Debt	\$ 1,164,501	\$ 194,872	\$ 1,359,374		\$ 2,111,000	64.39%
Amortization of SWP	957,060	159,510	1,116,570		1,679,000	66.50%
Water Conservation Programs	54,854	11,274	66,128		143,000	46.24%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,176,416</b>	<b>\$ 365,656</b>	<b>\$ 2,542,072</b>	<b>\$ -</b>	<b>\$ 3,933,000</b>	<b>64.63%</b>
<b>Net Earnings</b>	<b>\$ (2,096,360)</b>	<b>\$ (235,401)</b>	<b>\$ (2,331,761)</b>	<b>\$ -</b>	<b>\$ (5,127,450)</b>	<b>45.48%</b>

\* Budget adjustments by General Manager per Appendix A

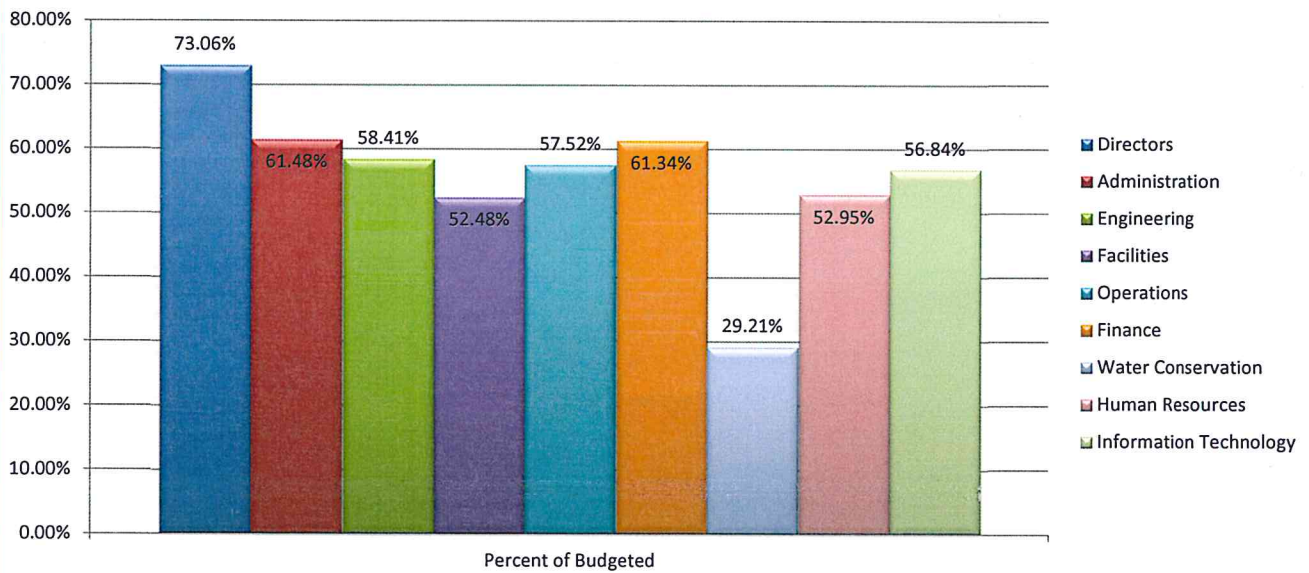
OTHER OPERATING REVENUE
-------------------------

Account Setup Charge(\$25)	\$2,625.00
Account Setup Charge/CC (\$35)	\$2,765.00
After Hours Service Call	\$240.00
Construction Meter Install(\$250)	\$750.00
Credit Check(\$10)	\$10.00
Customer Request Turn On/Off(\$15)	\$45.00
Door Tag Fee(\$20)	\$43,860.00
Grind Down Angle Stop (\$230)	\$230.00
Lock Broken or Missing(\$15)	\$150.00
Miscellaneous Charge	\$31.53
Pulled Meter Service Charge(\$60)	\$120.00
Repair Angle Stop After Hours(\$600.00)	\$600.00
Repair Angle Stop(\$440.00)	\$2,640.00
Shut-Off Charge(\$30)	\$6,600.00
Shut-Off Processing Fee(\$20)	\$260.00
Standard Trip Charge(\$15)	\$245.00
Late Fees	\$45,825.22
NSF Fee	\$1,500.00
	<hr/>
	\$108,496.75

### P & L BUDGET vs. ACTUAL

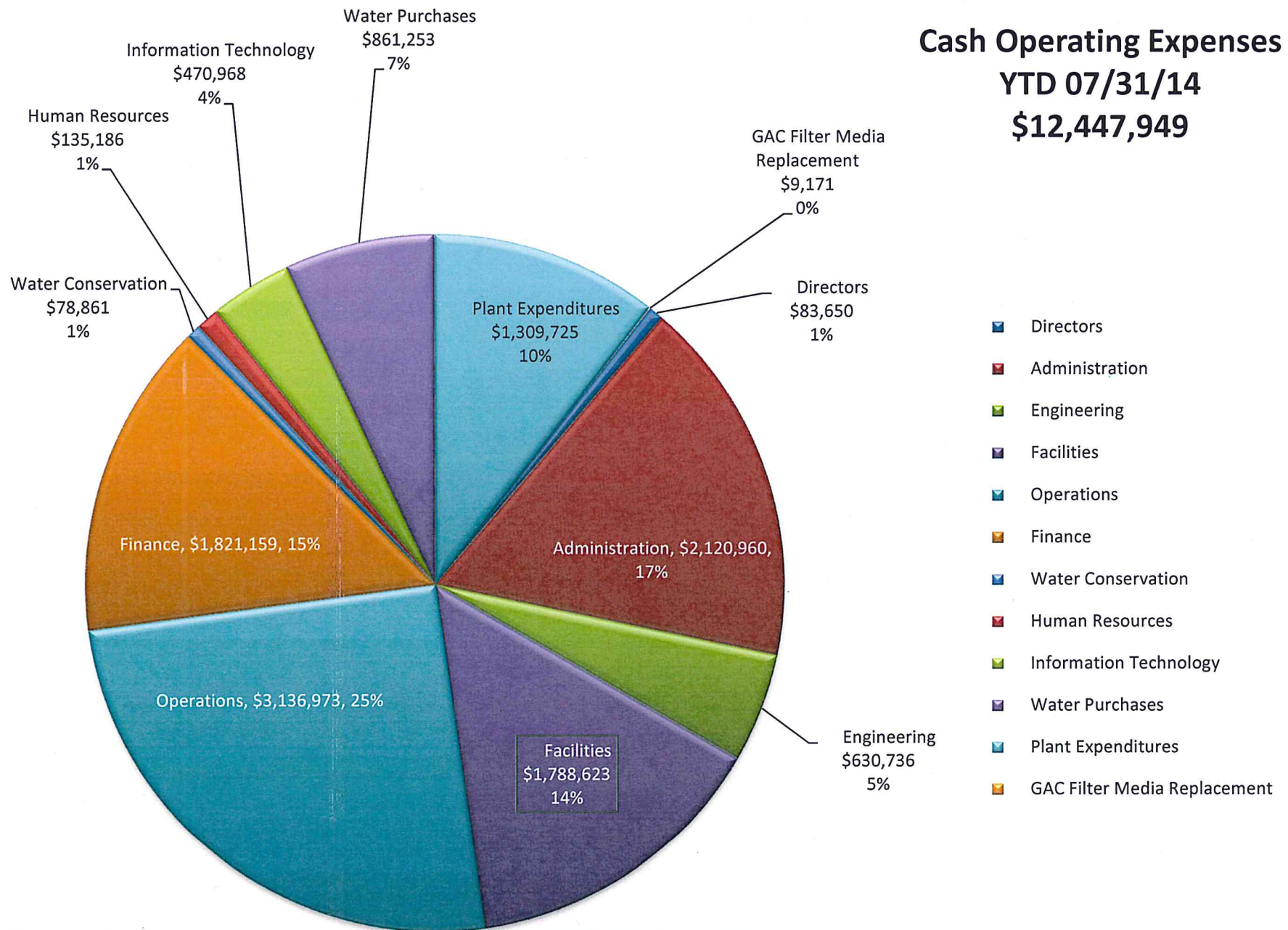


### DEPARTMENTAL - BUDGET vs. ACTUAL

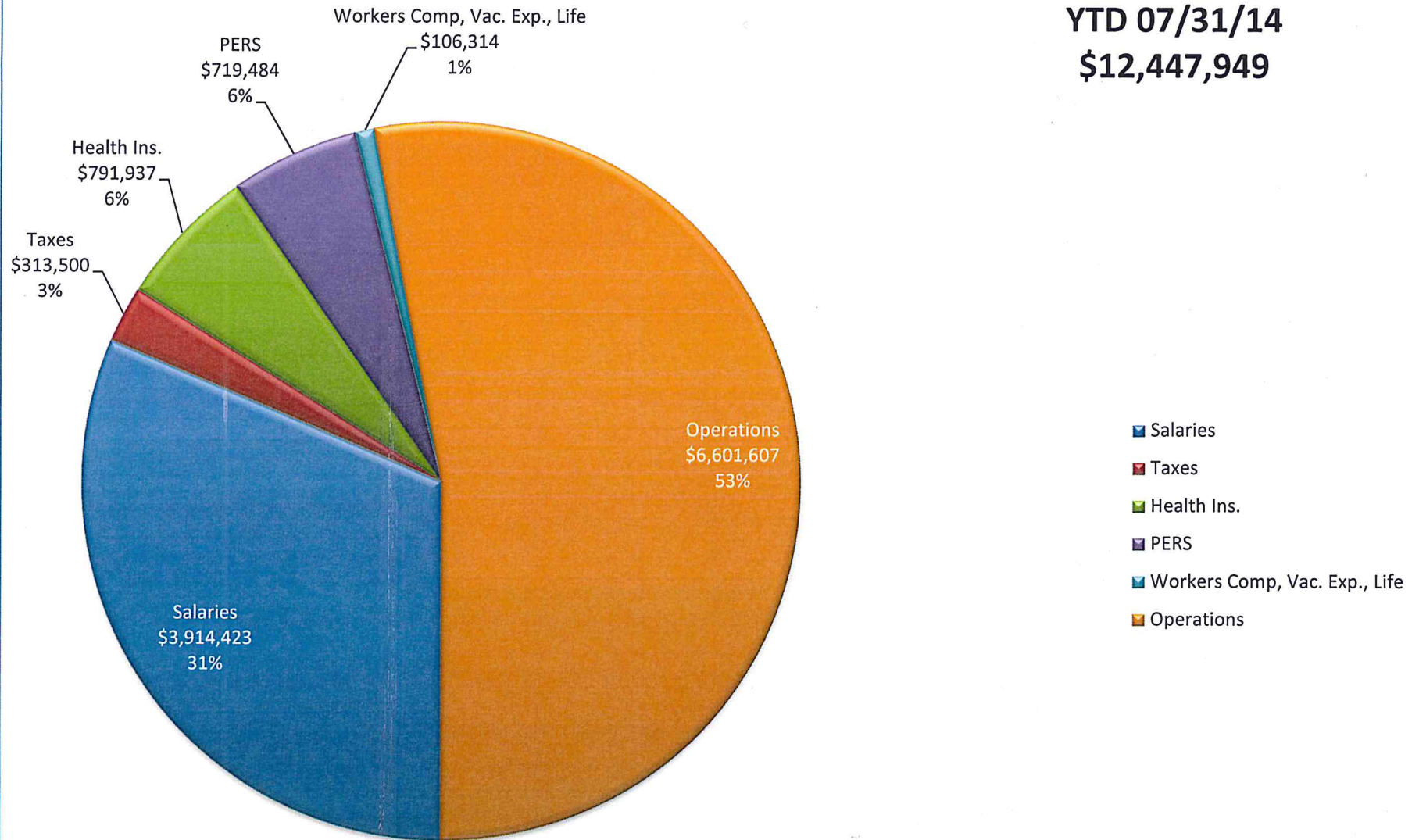




# **Cash Operating Expenses** **YTD 07/31/14** **\$12,447,949**



**Personnel to Operations Exp**  
**YTD 07/31/14**  
**\$12,447,949**



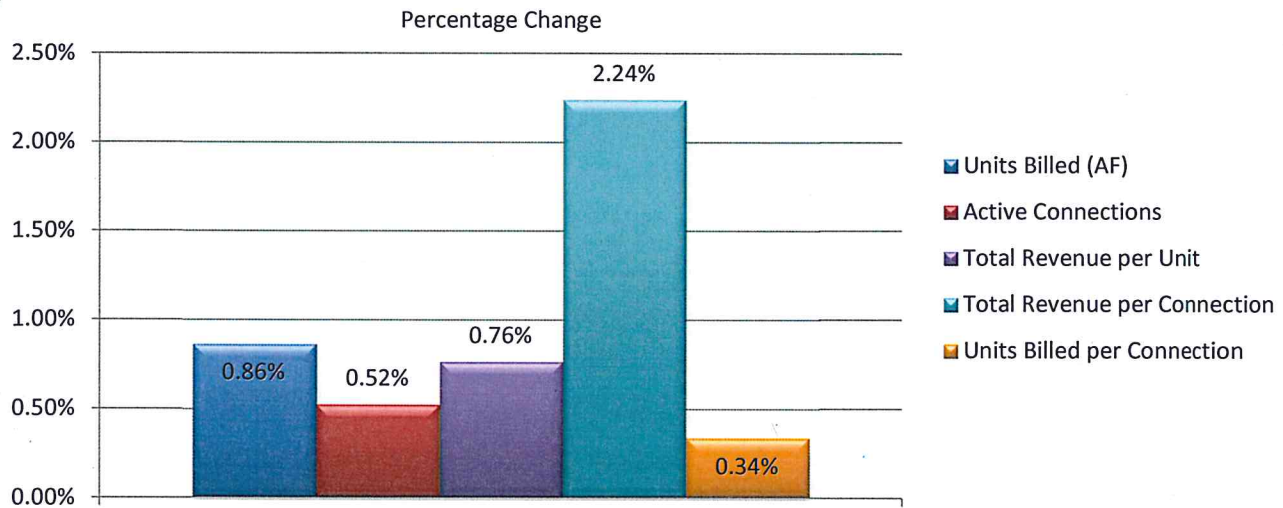
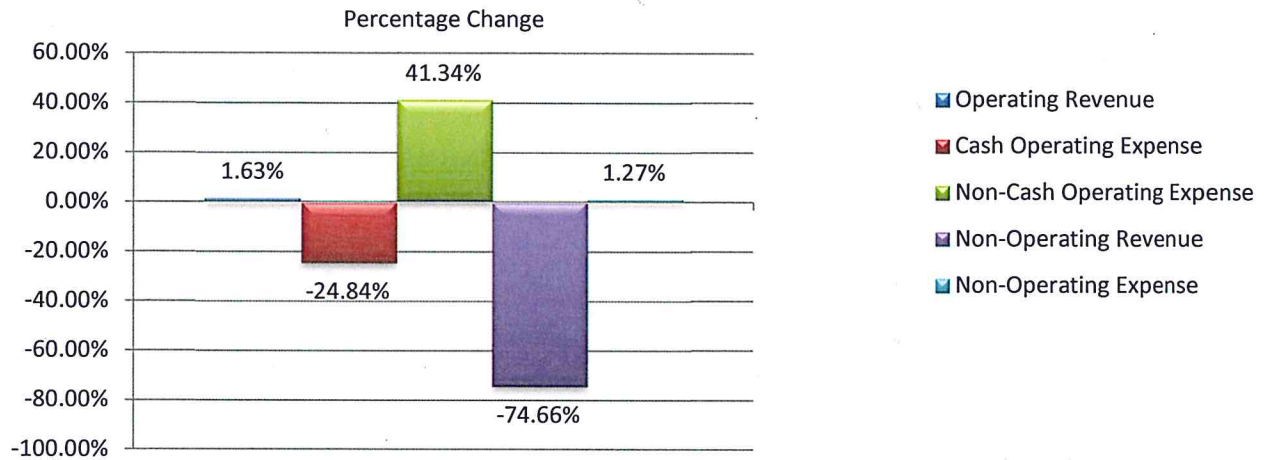
**Palmdale Water District**  
**Profit and Loss Statement**  
**Year-To-Year Comparison - July**

	2013 July	2014 July	Change	% Change		Consumption Comparison	
					Units Billed	2013	2014
<b>Operating Revenue:</b>						930,314	938,344
Wholesale Water	\$ 28,394	\$ 43,402	\$ 15,008	52.86%	Active	26,317	26,455
Water Sales	948,371	974,152	25,781	2.72%	Vacant	1,027	914
Meter Fees	920,744	947,584	26,840	2.92%			
Water Quality Fees	185,773	185,525	(249)	-0.13%			
Elevation Fees	66,887	59,200	(7,687)	-11.49%	Rev/unit	\$ 2.45	\$ 2.47
Other	127,538	105,068	(22,470)	-17.62%	Rev/con	\$ 81.70	\$ 83.53
<b>Total Water Sales</b>	<b>\$ 2,277,708</b>	<b>\$ 2,314,930</b>	<b>\$ 37,223</b>	<b>1.63%</b>	Unit/con	35.35	35.47
<b>Cash Operating Expenses:</b>							
Directors	\$ 8,330	\$ 15,532	\$ 7,203	86.47%			
Administration	263,268	243,191	(20,077)	-7.63%			
Engineering	125,937	126,181	244	0.19%			
Facilities	297,410	346,414	49,004	16.48%			
Operations	543,333	557,331	13,998	2.58%			
Finance	286,922	290,520	3,598	1.25%			
Water Conservation	23,733	11,237	(12,496)	-52.65%			
Human Resources	22,805	27,850	5,045	22.12%			
Information Technology	61,521	62,346	825	1.34%			
Water Purchases	74,874	34,362	(40,512)	-54.11%			
Water Purchases-Prior Year OAP	-	-	-				
Water Recovery	-	(302,201)	(302,201)				
Plant Expenditures	32,051	58,223	26,173	81.66%			
GAC Filter Media Replacement	216,829	-	(216,829)	-100.00%			
<b>Total Cash Operating Expenses</b>	<b>\$ 1,957,012</b>	<b>\$ 1,470,988</b>	<b>\$ (486,025)</b>	<b>-24.84%</b>			
<b>Non-Cash Operating Expenses:</b>							
Depreciation	\$ 580,701	\$ 1,006,510	\$ 425,809	73.33%			
OPEB Accrual Expense	165,223	166,875	1,652	1.00%			
Bad Debts	389	172	(217)	-55.74%			
Service Costs Construction	(9,354)	(137,158)	(127,804)				
Capitalized Construction	(163,471)	(225,819)	(62,348)	38.14%			
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 573,488</b>	<b>\$ 810,580</b>	<b>\$ 237,092</b>	<b>41.34%</b>			
<b>Net Operating Profit/(Loss)</b>	<b>\$ (252,793)</b>	<b>\$ 33,362</b>	<b>\$ 286,155</b>	<b>-113.20%</b>			
<b>Non-Operating Revenues:</b>							
Assessments (Debt Service)	\$ 234,949	\$ 63,234	\$ (171,715)	-73.09%			
Assessments (1%)	98,384	16,971	(81,413)	-82.75%			
DWR Fixed Charge Recovery	-	-	-				
Interest	7,178	2,543	(4,636)	-64.58%			
Capital Improvement Fees	-	-	-				
State Grants	-	-	-				
Other	41,835	14,145	(27,690)	-66.19%			
<b>Total Non-Operating Revenues</b>	<b>\$ 382,346</b>	<b>\$ 96,893</b>	<b>\$ (285,454)</b>	<b>-74.66%</b>			
<b>Non-Operating Expenses:</b>							
Interest on Long-Term Debt	\$ 201,375	\$ 194,872	\$ (6,503)	-3.23%			
Amortization of SWP	144,745	159,510	14,765	10.20%			
Water Conservation Programs	14,964	11,274	(3,690)	-24.66%			
<b>Total Non-Operating Expenses</b>	<b>\$ 361,083</b>	<b>\$ 365,656</b>	<b>\$ 4,573</b>	<b>1.27%</b>			
<b>Net Earnings</b>	<b>\$ (231,530)</b>	<b>\$ (235,401)</b>	<b>\$ (3,871)</b>	<b>1.67%</b>			



# YEAR-TO-YEAR COMPARISON

## July '13 -To - July '14



	2013	2014	Change	
Units Billed (AF)	2,136	2,154	18	0.86%
Active Connections	26,317	26,455	138	0.52%
Non-Active	1,027	914	-113	-11.00%
Total Revenue per Unit	\$2.45	\$2.47	\$0.02	0.76%
Total Revenue per Connection	\$81.70	\$83.53	\$1.83	2.24%
Units Billed per Connection	35.35	35.47	0.12	0.34%

**Palmdale Water District**  
**Revenue Analysis**  
**For the Seven Months Ending 7/31/2014**

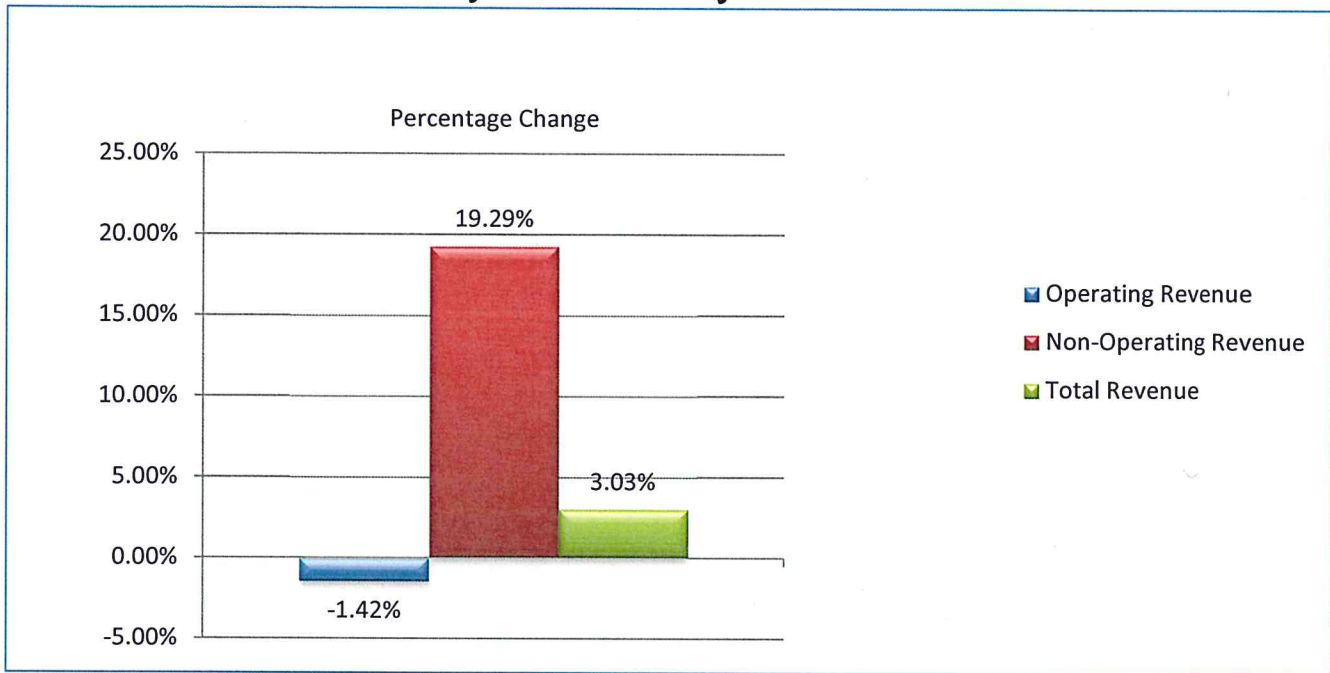
2014						2013 to 2014 Comparison			
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget	Thru June	July	Year-to-Date	% Change
<b>Operating Revenue:</b>									
Wholesale Water	\$ 38,791	\$ 43,402	\$ 82,193	\$ 225,000	36.53%	\$ 38,791	15,008	21,447	35.31%
Water Sales	3,414,720	974,152	4,388,871	9,053,000	48.48%	(104,500)	25,781	(78,719)	-1.76%
Meter Fees	5,632,568	947,584	6,580,152	11,255,000	58.46%	111,167	26,840	138,007	2.14%
Water Quality Fees	673,805	185,525	859,330	1,638,000	52.46%	(5,023)	(249)	(5,271)	-0.61%
Elevation Fees	201,468	59,200	260,668	525,000	49.65%	(15,487)	(7,687)	(23,174)	-8.16%
Other	701,935	105,068	807,003	1,700,000	47.47%	(216,159)	(22,470)	(238,629)	-22.82%
<b>Total Water Sales</b>	<b>\$ 10,663,287</b>	<b>\$ 2,314,930</b>	<b>\$12,978,217</b>	<b>\$24,396,000</b>	<b>53.20%</b>	<b>\$ (191,210)</b>	<b>\$ 37,223</b>	<b>\$ (186,340)</b>	<b>-1.42%</b>
<b>Non-Operating Revenues:</b>									
Assessments (Debt Service)	\$ 2,749,948	\$ 63,234	\$ 2,813,181	\$ 4,400,000	63.94%	\$ 593,527	\$ (171,715)	\$ 421,811	17.64%
Assessments (1%)	1,120,518	16,971	1,137,490	1,800,000	63.19%	217,527	(81,413)	136,114	13.59%
DWR Fixed Charge Recovery	133,539	-	133,539	100,000	133.54%	38,740	-	38,740	40.87%
Interest	30,950	2,543	33,493	25,000	133.97%	59,573	(4,636)	54,937	-256.18%
Capital Improvement Fees	9,889	-	9,889	150,000	6.59%	33,923	-	33,923	-141.15%
State Grants	-	-	-	485,000	0.00%	-	-	-	-
Other	152,660	14,145	166,805	185,000	90.16%	36,483	(27,690)	8,794	5.57%
<b>Total Non-Operating Revenues</b>	<b>\$ 4,197,504</b>	<b>\$ 96,893</b>	<b>\$ 4,294,397</b>	<b>\$ 7,145,000</b>	<b>60.10%</b>	<b>\$ 979,772</b>	<b>\$ (285,454)</b>	<b>\$ 694,319</b>	<b>19.29%</b>
<b>Total Revenue</b>	<b>\$ 14,860,791</b>	<b>\$ 2,411,823</b>	<b>\$17,272,614</b>	<b>\$31,541,000</b>	<b>54.76%</b>	<b>\$ 788,562</b>	<b>\$ (248,231)</b>	<b>\$ 507,979</b>	<b>3.03%</b>

2013					
	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
<b>Operating Revenue:</b>					
Wholesale Water	\$ 32,352	\$ 28,394	\$ 60,746	\$ 175,000	34.71%
Water Sales	3,519,220	948,371	4,467,591	8,198,000	54.50%
Meter Fees	5,521,401	920,744	6,442,145	11,232,000	57.36%
Water Quality Fees	678,828	185,773	864,602	1,638,000	52.78%
Elevation Fees	216,954	66,887	283,841	550,000	51.61%
Other	918,094	127,538	1,045,632	1,250,000	83.65%
<b>Total Water Sales</b>	<b>\$ 10,854,497</b>	<b>\$ 2,277,708</b>	<b>\$13,164,557</b>	<b>\$22,868,000</b>	<b>57.57%</b>
<b>Non-Operating Revenues:</b>					
Assessments (Debt Service)	\$ 2,156,421	\$ 234,949	\$ 2,391,370	\$ 4,300,000	55.61%
Assessments (1%)	902,992	98,384	1,001,376	2,501,376	40.03%
DWR Fixed Charge Recovery	94,799	-	94,799	100,000	94.80%
Interest	(28,623)	7,178	(21,444)	25,000	-85.78%
Capital Improvement Fees	(24,034)	-	(24,034)	150,000	-16.02%
State Grants	-	-	-	485,000	0.00%
Other	116,177	41,835	158,011	150,000	105.34%
<b>Total Non-Operating Revenues</b>	<b>\$ 3,217,732</b>	<b>\$ 382,346</b>	<b>\$ 3,600,078</b>	<b>\$ 7,711,376</b>	<b>46.69%</b>
<b>Total Revenue</b>	<b>\$ 14,072,229</b>	<b>\$ 2,660,054</b>	<b>\$16,764,635</b>	<b>\$30,579,376</b>	<b>54.82%</b>



# REVENUE COMPARISON YEAR-TO-DATE

July '13-To-July '14



**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Seven Months Ending 7/31/2014**  
**2014**

2013 to 2014 Comparison

	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget	Thru June	July	Year-to-Date	% Change
<b>Cash Operating Expenses:</b>									
Directors	\$ 68,118	\$ 15,532	\$ 83,650	\$ 114,500	73.06%	\$ 17,477	\$ 7,203	\$ 24,680	41.85%
Administration	1,877,769	243,191	2,120,960	3,490,000	60.77%	741,287	(20,077)	721,210	51.52%
Engineering	504,555	126,181	630,736	1,079,800	58.41%	(112,961)	244	(112,717)	-15.16%
Facilities	1,442,209	346,414	1,788,623	3,408,500	52.48%	18,214	49,004	67,218	3.90%
Operations	2,579,642	557,331	3,136,973	5,453,500	57.52%	268,247	13,998	282,246	9.89%
Finance	1,530,638	290,520	1,821,159	2,968,750	61.34%	266,207	3,598	269,805	17.39%
Water Conservation	67,624	11,237	78,861	270,000	29.21%	(41,454)	(12,496)	(53,949)	-40.62%
Human Resources	107,336	27,850	135,186	215,300	62.79%	36,626	5,045	41,670	44.56%
Information Technology	408,623	62,346	470,968	828,600	56.84%	408,623	825	92,548	24.46%
Water Purchases	1,217,657	34,362	1,252,019	2,400,000	52.17%	(64,332)	(40,512)	(104,844)	-7.73%
Water Purchases-Prior Year OAP	683	-	683	250,000	0.27%	(435,802)	-	(435,802)	-99.84%
Water Recovery	(88,565)	(302,201)	(390,766)	(100,000)	390.77%	313,080	(302,201)	10,879	-2.71%
Plant Expenditures	1,251,502	58,223	1,309,725	2,143,500	61.10%	752,524	26,173	778,697	146.64%
GAC Filter Media Replacement	9,171	-	9,171	1,638,000	0.56%	(427,897)	(216,829)	(644,726)	-98.60%
<b>Total Cash Operating Expenses</b>	<b>\$ 10,976,961</b>	<b>\$ 1,470,988</b>	<b>\$ 12,447,949</b>	<b>\$ 24,160,450</b>	<b>51.52%</b>	<b>\$ 1,739,840</b>	<b>\$ (486,025)</b>	<b>\$ 936,916</b>	<b>7.53%</b>
<b>Non-Cash Operating Expenses:</b>									
Depreciation	\$ 3,309,947	\$ 1,006,510	\$ 4,316,458	\$ 7,350,000	58.73%	\$ (766,128)	\$ 425,809	\$ (340,319)	-7.31%
OPEB Accrual Expense	1,001,250	166,875	1,168,124	2,000,000	58.41%	9,914	1,652	11,566	1.00%
Bad Debts	24,604	172	24,776	100,000	24.78%	19,567	(217)	19,350	356.64%
Service Costs Construction	5,873	(137,158)	(131,285)	125,000	-105.03%	(62,032)	(127,804)	(189,836)	-324.22%
Capitalized Construction	(537,899)	(225,819)	(763,718)	(1,000,000)	76.37%	(153,252)	(62,348)	(215,600)	39.33%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 3,803,774</b>	<b>\$ 810,580</b>	<b>\$ 4,614,355</b>	<b>\$ 8,575,000</b>	<b>53.81%</b>	<b>\$ (951,931)</b>	<b>\$ 237,092</b>	<b>\$ (714,839)</b>	<b>-15.49%</b>
<b>Non-Operating Expenses:</b>									
Interest on Long-Term Debt	\$ 1,164,501	\$ 194,872	\$ 1,359,374	\$ 2,111,000	64.39%	\$ 316,990	\$ (6,503)	\$ 310,487	29.60%
Amortization of SWP	957,060	159,510	1,116,570	1,679,000	66.50%	91,206	14,765	105,971	10.49%
Water Conservation Programs	54,854	11,274	66,128	143,000	46.24%	(5,966)	(3,690)	(9,656)	-0.45%
<b>Total Non-Operating Expenses</b>	<b>\$ 2,176,416</b>	<b>\$ 365,656</b>	<b>\$ 2,542,072</b>	<b>\$ 3,933,000</b>	<b>64.63%</b>	<b>\$ 402,230</b>	<b>\$ 4,573</b>	<b>\$ 406,802</b>	<b>19.05%</b>
<b>Total Expenses</b>	<b>\$ 16,957,151</b>	<b>\$ 2,647,224</b>	<b>\$ 19,604,376</b>	<b>\$ 36,668,450</b>	<b>53.46%</b>	<b>\$ 1,190,138</b>	<b>\$ (244,360)</b>	<b>\$ 628,879</b>	<b>3.31%</b>

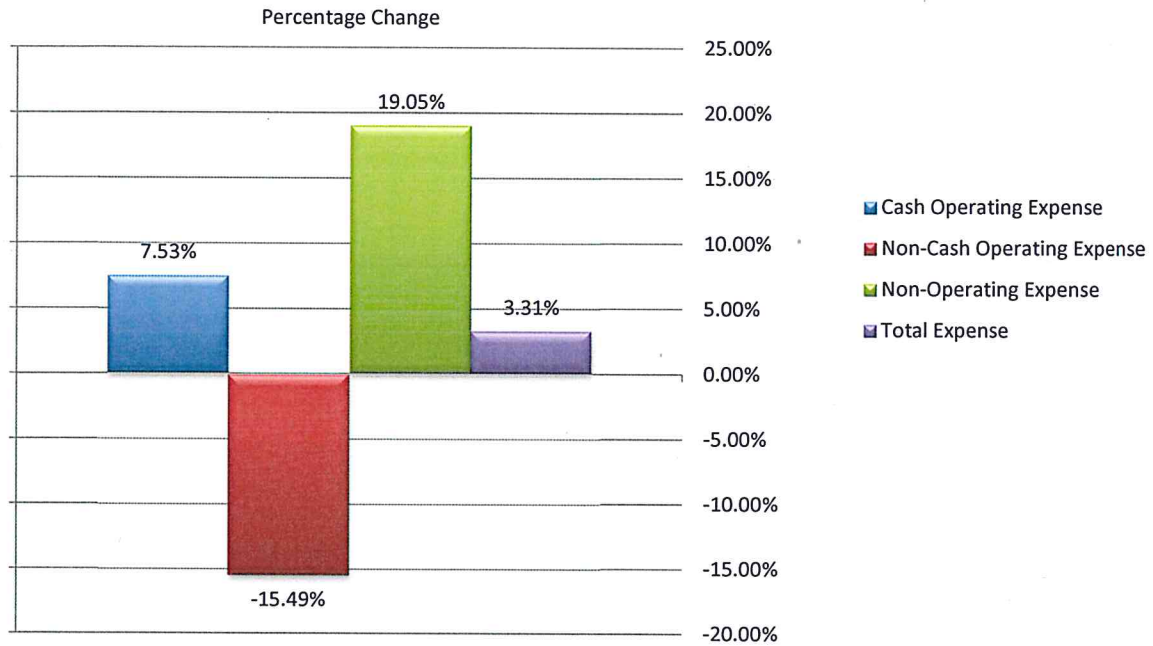
**Palmdale Water District**  
**Operating Expense Analysis**  
**For the Seven Months Ending 7/31/2014**  
**2013**

2013 to 2014 Comparison

	Thru June	July	Year-to-Date	Adjusted Budget	% of Budget
<b>Cash Operating Expenses:</b>					
Directors	\$ 50,640	\$ 8,330	\$ 58,970	\$ 117,500	50.19%
Administration	1,136,482	263,268	1,399,750	2,602,000	53.80%
Engineering	617,516	125,937	743,453	1,215,750	61.15%
Facilities	1,423,995	297,410	1,721,405	3,298,500	52.19%
Operations	2,311,395	543,333	2,854,727	4,944,250	57.74%
Finance	1,264,431	286,922	1,551,354	2,789,000	55.62%
Water Conservation	109,078	23,733	132,811	239,750	55.40%
Human Resources	70,711	22,805	93,516	209,600	44.62%
Information Technology	316,900	61,521	378,420	728,000	51.98%
Water Purchases	1,281,989	74,874	1,356,863	2,600,000	52.19%
Water Purchases-Prior Year OAP	436,485	-	436,485	-	
Water Recovery	(401,645)	-	(401,645)	(100,000)	401.65%
Plant Expenditures	498,977	32,051	531,028	836,500	63.48%
GAC Filter Media Replacement	437,068	216,829	653,896	1,638,000	39.92%
<b>Total Cash Operating Expenses</b>	<b>\$ 9,554,021</b>	<b>\$ 1,957,012</b>	<b>\$ 11,511,033</b>	<b>\$ 21,118,850</b>	<b>54.51%</b>
<b>Non-Cash Operating Expenses:</b>					
Depreciation	\$ 4,076,076	\$ 580,701	\$ 4,656,777	\$ 7,250,000	64.23%
OPEB Accrual Expense	991,336	165,223	1,156,559	2,000,000	57.83%
Bad Debts	5,036	389	5,426	100,000	5.43%
Service Costs Construction	67,905	(9,354)	58,551	125,000	46.84%
Capitalized Construction	(384,647)	(163,471)	(548,118)	(1,000,000)	54.81%
<b>Total Non-Cash Operating Expenses</b>	<b>\$ 4,755,706</b>	<b>\$ 573,488</b>	<b>\$ 5,329,194</b>	<b>\$ 8,475,000</b>	<b>62.88%</b>
<b>Non-Operating Expenses:</b>					
Interest on Long-Term Debt	\$ 847,512	\$ 201,375	\$ 1,048,887	\$ 2,111,000	49.69%
Amortization of SWP	865,854	144,745	1,010,599	1,679,000	60.19%
Water Conservation Programs	60,820	14,964	75,784	150,000	50.52%
<b>Total Non-Operating Expenses</b>	<b>\$ 1,774,186</b>	<b>\$ 361,083</b>	<b>\$ 2,135,270</b>	<b>\$ 3,940,000</b>	<b>54.19%</b>
<b>Total Expenses</b>	<b>\$ 16,083,913</b>	<b>\$ 2,891,584</b>	<b>\$ 18,975,497</b>	<b>\$ 33,533,850</b>	<b>56.59%</b>

## EXPENSE COMPARISON YEAR-TO-DATE

July '13-To-July '14



**Palmdale Water District**  
**2014 Directors Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 40,500	\$ 45,000	\$ -	\$ 4,500	90.00%
Employee Benefits					
1-01-4005-000 Payroll Taxes	3,077	5,500		2,423	55.94%
1-01-4010-000 Health Insurance	28,754	54,000		25,246	53.25%
Subtotal (Benefits)	31,830	59,500	-	25,246	53.50%
Total Personnel Expenses	\$ 72,330	\$ 104,500	\$ -	\$ 29,746	69.22%
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	11,320	10,000		(1,320)	113.20%
Subtotal Operating Expenses	11,320	10,000	-	(1,320)	113.20%
Total O & M Expenses	\$ 83,650	\$ 114,500	\$ -	\$ 28,427	73.06%



**Palmdale Water District**  
**2014 Administration Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-02-4000-000 Salaries	\$ 425,552	\$ 656,000		\$ 230,448	64.87%
1-02-4000-100 Overtime	5,149	7,500		2,351	68.66%
1-02-4000-200 On-Call	30,419	60,000		29,581	50.70%
Subtotal (Salaries)	\$ 461,120	\$ 723,500		\$ 262,380	63.73%
<b>Employee Benefits</b>					
1-02-4005-000 Payroll Taxes	33,168	41,500		8,332	79.92%
1-02-4010-000 Health Insurance	57,636	96,000		38,364	60.04%
1-02-4015-000 PERS	80,715	132,500		51,785	60.92%
1-02-4020-000 Worker's Compensation	55,066	125,000		69,934	44.05%
1-02-4025-000 Vacation Benefit Expense	46,252	35,000		(11,252)	132.15%
1-02-4030-000 Life Insurance	4,996	7,500		2,504	66.62%
Subtotal (Benefits)	\$ 277,833	\$ 437,500	\$ -	\$ 159,667	63.50%
Total Personnel Expenses	\$ 738,953	\$ 1,161,000	\$ -	\$ 422,048	63.65%
<b>OPERATING EXPENSES:</b>					
1-02-4050-000 Staff Travel	6,311.59	\$ 8,000		\$ 1,688	78.89%
1-02-4050-100 General Manager Travel	4,383.82	5,000		616	87.68%
1-02-4060-000 Staff Conferences & Seminars	1,948.96	3,000		1,051	64.97%
1-02-4060-100 General Manager Conferences & Seminars	1,665.04	4,500		2,835	37.00%
1-02-4070-000 Employee Expense*	-	40,000	(40,000)	-	0.00%
1-02-4080-000 Other Operating	13,113	20,000		6,887	65.56%
1-02-4110-000 Consultants	85,715	200,000		114,285	42.86%
1-02-4125-000 Insurance	153,908	300,000		146,092	51.30%
1-02-4130-000 Bank Charges	74,681	130,000		55,319	57.45%
1-02-4135-000 Groundwater Adjudication	145,193	400,000		254,807	36.30%
1-02-4135-000 Groundwater Adjudication - Woods Class	601,670	590,500		(11,170)	101.89%
1-02-4140-000 Legal Services	100,080	200,000		99,920	50.04%
1-02-4150-000 Accounting Services	19,500	25,000		5,500	78.00%
1-02-4155-000 Contracted Services	13,387	29,000		15,613	46.16%
1-02-4165-000 Memberships/Subscriptions	79,975	210,000		130,025	38.08%
1-02-4175-000 Permits	2,150	15,000		12,850	14.33%
1-02-4180-000 Postage	19,819	30,000		10,181	66.06%
1-02-4190-100 Public Relations - Publications	12,256	40,000		27,744	30.64%
1-02-4190-900 Public Relations - Other	353	1,000		647	35.30%
1-02-4200-000 Advertising	1,012	5,000		3,988	20.24%
1-02-4205-000 Office Supplies	13,557	18,000		4,443	75.32%
1-02-4215-200 Natural Gas - Office Building	1,733	5,000		3,267	34.65%
1-02-4220-200 Electricity - Office Building	29,597	50,000		20,403	59.19%
Subtotal Operating Expenses	\$ 1,382,008	\$ 2,329,000	\$ (40,000)	\$ 906,992	59.34%
Total Departmental Expenses	\$ 2,120,960	\$ 3,490,000	\$ (40,000)	\$ 1,329,040	61.48%

\* Budget adjustments by General Manager per Appendix A

**Palmdale Water District**  
**2014 Engineering Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 385,002	\$ 668,500		\$ 283,498	57.59%
1-03-4000-100 Overtime	5,593	6,500		907	86.05%
Subtotal (Salaries)	\$ 390,595	\$ 675,000		\$ 284,405	57.87%
Employee Benefits					
1-03-4005-000 Payroll Taxes	31,802	51,500		19,698	61.75%
1-03-4010-000 Health Insurance	77,472	134,800		57,328	57.47%
1-03-4015-000 PERS	79,474	133,500		54,026	59.53%
Subtotal (Benefits)	\$ 188,748	\$ 319,800	\$ -	\$ 131,052	59.02%
Total Personnel Expenses	\$ 579,343	\$ 994,800	\$ -	\$ 415,457	58.24%
OPERATING EXPENSES:					
1-03-4050-000 Staff Travel	\$ 1,935	\$ 3,000		\$ 1,065	64.50%
1-03-4060-000 Staff Conferences & Seminars	-	2,500		2,500	0.00%
1-03-4155-000 Contracted Services	40,000	61,500		21,500	65.04%
1-03-4165-000 Memberships/Subscriptions	1,140	2,000		860	57.00%
1-03-4250-000 General Materials & Supplies	1,472	2,500		1,028	58.88%
1-03-8100-100 Computer Software - Maint. & Support	6,846	13,500		6,654	50.71%
Subtotal Operating Expenses	\$ 51,393	\$ 85,000	\$ -	\$ 33,607	60.46%
Total Departmental Expenses	\$ 630,736	\$ 1,079,800	\$ -	\$ 449,064	58.41%

**Palmdale Water District**  
**2014 Facilities Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-04-4000-000 Salaries	\$ 777,928	\$ 1,450,000		\$ 672,072	53.65%
1-04-4000-100 Overtime	40,313	36,500		(3,813)	110.45%
Subtotal (Salaries)	\$ 818,242	\$ 1,486,500		\$ 668,258	55.04%
<b>Employee Benefits</b>					
1-04-4005-000 Payroll Taxes	67,141	111,000		43,859	60.49%
1-04-4010-000 Health Insurance	182,653	374,500		191,847	48.77%
1-04-4015-000 PERS	143,321	278,000		134,679	51.55%
Subtotal (Benefits)	\$ 393,114	\$ 763,500	\$ -	\$ 370,386	51.49%
Total Personnel Expenses	\$ 1,211,356	\$ 2,250,000	\$ -	\$ 1,042,457	53.84%
<b>OPERATING EXPENSES:</b>					
1-04-4050-000 Staff Travel	\$ 3,109	\$ 2,500		(609)	124.35%
1-04-4060-000 Staff Conferences & Seminars	1,176	3,000		1,824	39.20%
1-04-4155-000 Contracted Services	35,773	71,500		35,727	50.03%
1-04-4175-000 Permits-Dams	19,868	50,000		30,132	39.74%
1-04-4215-200 Natural Gas - Buildings	1,754	4,500		2,746	38.98%
1-04-4220-200 Electricity - Buildings	12,380	30,000		17,620	41.27%
1-04-4225-000 Maint. & Repair - Vehicles	22,421	45,000		22,579	49.82%
1-04-4230-100 Maint. & Rep. Office Building	6,169	18,000		11,831	
1-04-4235-110 Maint. & Rep. Equipment	4,321	7,500		3,179	57.62%
1-04-4235-400 Maint. & Rep. Operations - Wells	41,534	135,000		93,466	30.77%
1-04-4235-405 Maint. & Rep. Operations - Boosters	8,083	65,000		56,917	12.44%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	7,109	10,000		2,891	71.09%
1-04-4235-415 Maint. & Rep. Operations - Facilities	4,054	15,000		10,946	27.03%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	168,107	275,000		106,893	61.13%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	2,444	15,000		12,556	16.30%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	-	15,000		15,000	0.00%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	960	3,000		2,040	32.00%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	39,012	35,000		(4,012)	111.46%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	-	5,000		5,000	0.00%
1-04-6000-000 Waste Disposal	7,276	40,000		32,724	18.19%
1-04-6100-100 Fuel and Lube - Vehicle	72,067	130,000		57,933	55.44%
1-04-6100-200 Fuel and Lube - Machinery	25,098	43,000		17,902	58.37%
1-04-6200-000 Uniforms	13,168	21,000		7,832	62.70%
1-04-6300-100 Supplies - Misc.	34,070	47,500		13,430	71.73%
1-04-6300-800 Supplies - Construction Materials	31,820	45,000		13,180	70.71%
1-04-6400-000 Tools	7,773	12,000		4,227	64.78%
1-04-7000-100 Leases -Equipment	7,722	15,000		7,278	51.48%
Subtotal Operating Expenses	\$ 577,268	\$ 1,158,500	\$ -	\$ 581,232	49.83%
Total Departmental Expenses	\$ 1,788,623	\$ 3,408,500	\$ -	\$ 1,623,690	52.48%



**Palmdale Water District**  
**2014 Operation Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-05-4000-000 Salaries	\$ 996,145	\$ 1,734,000		\$ 737,855	57.45%
1-05-4000-100 Overtime	60,909	70,000		9,091	87.01%
Subtotal (Salaries)	\$ 1,057,054	\$ 1,804,000		\$ 746,946	58.60%
<b>Employee Benefits</b>					
1-05-4005-000 Payroll Taxes	85,337	131,000		45,663	65.14%
1-05-4010-000 Health Insurance	205,506	343,000		137,494	59.91%
1-05-4015-000 PERS	195,374	324,000		128,626	60.30%
Subtotal (Benefits)	\$ 486,217	\$ 798,000	\$ -	\$ 311,783	60.93%
Total Personnel Expenses	\$ 1,543,271	\$ 2,602,000	\$ -	\$ 1,049,638	59.31%
<b>OPERATING EXPENSES:</b>					
1-05-4050-000 Staff Travel	\$ 3,953	\$ 8,000		\$ 4,047	49.41%
1-05-4060-000 Staff Conferences & Seminars	1,049	9,500		8,451	11.04%
1-05-4120-100 Training - Lab Equipment	6,867	4,500		(2,367)	152.60%
1-05-4120-200 Training - SCADA Network	-	9,000		9,000	0.00%
1-05-4155-000 Contracted Services	67,686	109,250		41,564	61.96%
1-05-4175-000 Permits	12,263	45,000		32,737	27.25%
1-05-4215-100 Natural Gas - Wells & Boosters	149,617	236,000		86,383	63.40%
1-05-4215-200 Natural Gas - WTP	937	3,000		2,063	31.22%
1-05-4220-100 Electricity - Wells & Boosters	926,154	1,515,000		588,846	61.13%
1-05-4220-200 Electricity - WTP	47,832	125,000		77,168	38.27%
1-05-4230-110 Maint. & Rep. - Office Equipment	-	500		500	0.00%
1-05-4235-110 Maint. & Rep. Operations - Equipment	7,515	22,500		14,985	33.40%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	3,154	6,000		2,846	52.56%
1-05-4235-415 Maint. & Rep. Operations - Facilities	40,050	45,000		4,950	89.00%
1-05-4235-445 Maint. & Rep. Operations - Telemetry	-	2,250		2,250	0.00%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	34,259	30,000		(4,259)	114.20%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	-	6,000		6,000	0.00%
1-05-4236-000 Palmdale Lake Management	2,295	15,000		12,705	15.30%
1-05-4270-300 Telecommunication - Other	1,762	2,750		988	64.07%
1-05-4300-300 Testing - Edison	-	9,000		9,000	0.00%
1-05-6000-000 Waste Disposal	3,182	14,000		10,818	22.73%
1-05-6200-000 Uniforms	8,306	12,000		3,694	69.22%
1-05-6300-100 Supplies - Misc.	15,979	15,000		(979)	106.52%
1-05-6300-200 Supplies - Hypo Generator	4,392	6,750		2,358	65.06%
1-05-6300-300 Supplies - Electrical	-	3,500		3,500	0.00%
1-05-6300-400 Supplies - Telemetry	152	7,500		7,348	2.03%
1-05-6300-600 Supplies - Lab	27,117	35,000		7,883	77.48%
1-05-6300-700 Outside Lab Work	25,920	60,000		34,080	43.20%
1-05-6400-000 Tools	5,639	6,500		861	86.75%
1-05-6500-000 Chemicals	196,090	485,000		288,910	40.43%
1-05-7000-100 Leases -Equipment	1,534	3,000		1,466	51.13%
Subtotal Operating Expenses	\$ 1,593,702	\$ 2,851,500	\$ -	\$ 1,257,798	55.89%
Total Departmental Expenses	\$ 3,136,973	\$ 5,453,500	\$ -	\$ 2,307,436	57.52%

**Palmdale Water District  
2014 Finance Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-06-4000-000 Salaries	\$ 896,714	\$ 1,645,000		\$ 748,286	54.51%
1-06-4000-100 Overtime	12,689	19,000		6,311	66.79%
Subtotal (Salaries)	\$ 909,403	\$ 1,664,000	\$ -	\$ 754,597	54.65%
<b>Employee Benefits</b>					
1-06-4005-000 Payroll Taxes	73,510	123,000		49,490	23.19%
1-06-4010-000 Health Insurance	197,563	317,000		119,437	59.69%
1-06-4015-000 PERS	181,428	331,000		149,572	23.53%
Subtotal (Benefits)	\$ 452,501	\$ 771,000	\$ -	\$ 318,499	58.69%
Total Personnel Expenses	\$ 1,361,905	\$ 2,435,000	\$ -	\$ 1,073,095	55.93%
<b>OPERATING EXPENSES:</b>					
1-06-4050-000 Staff Travel	\$ -	\$ 250		250	0.00%
1-06-4060-000 Staff Conferences & Seminars	69	1,000		931	6.90%
1-06-4155-300 Contracted Services	11,648	21,000		9,352	55.47%
1-06-4155-100 Contracted Services - Infosend	118,325	205,000		86,676	57.72%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	1,000		1,000	0.00%
1-06-4235-440 Maint. & Rep. Operations - Large Meters	18,542	10,000		(8,542)	185.42%
1-06-4235-470 Maint. & Rep. Operations - Meter Exchanges	278,000	225,000		(53,000)	123.56%
1-06-4250-000 General Material & Supplies	2,796	6,000		3,204	46.61%
1-06-4260-000 Business Forms	5,032	10,000		4,968	50.32%
1-06-4270-100 Telecommunication - Office	7,721	12,000		4,279	64.34%
1-06-4270-200 Telecommunication - Cellular Stipend	8,910	17,000		8,090	52.41%
1-06-4270-300 Telecommunication - Cellular	-	500		500	0.00%
1-06-4300-200 Testing - Large Meter Testing	6,690	21,500		14,810	31.12%
1-06-7000-100 Leases - Equipment	1,302	3,000		1,698	43.38%
Subtotal Operating Expenses	\$ 459,254	\$ 533,750	\$ -	\$ 74,496	86.04%
Total Departmental Expenses	\$ 1,821,159	\$ 2,968,750	\$ -	\$ 1,147,591	61.34%

**Palmdale Water District**  
**2014 Water Conservation Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-07-4000-000 Salaries	\$ 46,508	\$ 168,500		\$ 121,992	27.60%
1-07-4000-100 Overtime	1,854	1,000		(854)	185.38%
Subtotal (Salaries)	\$ 48,362	\$ 169,500		\$ 121,138	28.53%
<b>Employee Benefits</b>					
1-07-4005-000 Payroll Taxes	4,164	13,000		8,836	32.03%
1-07-4010-000 Health Insurance	10,685	31,500		20,815	33.92%
1-07-4015-000 PERS	8,740	34,000		25,260	25.71%
Subtotal (Benefits)	\$ 23,589	\$ 78,500	\$ -	\$ 54,911	30.05%
Total Personnel Expenses	\$ 71,951	\$ 248,000	\$ -	\$ 176,903	29.01%
<b>OPERATING EXPENSES:</b>					
1-07-4050-000 Staff Travel	\$ -	\$ 1,000		\$ 1,000	0.00%
1-07-4060-000 Staff Conferences & Seminars	-	1,000		1,000	0.00%
1-07-4190-300 Public Relations - Landscape Workshop/Training	19	1,000		981	1.94%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs	413	5,000		4,588	8.25%
1-07-4190-700 Public Relations -General Media	1,818	3,000		1,182	60.60%
1-07-4190-900 Public Relations - Other	75	5,000		4,925	1.50%
1-07-6300-100 Supplies - Misc.	4,586	5,000		414	91.72%
Subtotal Operating Expenses	\$ 6,911	\$ 22,000	\$ -	\$ 15,089	31.41%
Total Departmental Expenses	\$ 78,861	\$ 270,000	\$ -	\$ 191,992	29.21%



**Palmdale Water District**  
**2014 Human Resources Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 54,355	\$ 97,000		\$ 42,645	56.04%
Employee Benefits					
1-08-4005-000 Payroll Taxes	4,463	7,500		3,037	59.51%
1-08-4010-000 Health Insurance	9,269	19,200		9,931	48.28%
1-08-4015-000 PERS	3,606	6,500		2,894	55.48%
Subtotal (Benefits)	\$ 17,338	\$ 33,200	\$ -	\$ 15,862	52.22%
Total Personnel Expenses	\$ 71,693	\$ 130,200	\$ -	\$ 58,507	55.06%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 1,302	\$ 500		\$ (802)	260.31%
1-08-4060-000 Staff Conferences & Seminars	-	500		500	0.00%
1-08-4070-000 Employee Expense*	27,575	-	40,000	12,425	68.94%
1-08-4090-000 Temporary Staffing	-	-		-	
1-08-4095-000 Employee Recruitment	10,336	3,000		(7,336)	344.53%
1-08-4100-000 Employee Retention**	3,828	1,500	18,500	16,172	19.14%
1-08-4105-000 Employee Relations	2,623	3,500		877	74.96%
1-08-4110-000 Consultants	-	1,000		1,000	0.00%
1-08-4120-100 Training-Safety Consultants	6,600	38,000		31,400	17.37%
1-08-4121-000 Safety Program	50	1,000		950	5.00%
1-08-4165-000 Membership/Subscriptions	603	1,600		997	37.72%
1-08-4165-100 HR/Safety Publications	22	1,000		978	2.20%
1-08-6300-500 Supplies - Safety	10,553	33,500		22,947	31.50%
Subtotal Operating Expenses	\$ 63,493	\$ 85,100	\$ 58,500	\$ 80,107	44.22%
Total Departmental Expenses	\$ 135,186	\$ 215,300	\$ 58,500	\$ 138,614	49.37%

\* Budget adjustments by General Manager per Appendix A

\*\* Budget adjustment by Board action 05/14/14

**Palmdale Water District**  
**2014 Information Technology Budget**  
For the Seven Months Ending Thursday, July 31, 2014

	YTD ACTUAL 2014	ORIGINAL BUDGET 2014	ADJUSTMENTS 2014	ADJUSTED BUDGET REMAINING	PERCENT USED
<b>Personnel Budget:</b>					
1-09-4000-000 Salaries	\$ 134,044	\$ 226,000		\$ 91,956	59.31%
1-09-4000-100 Overtime	748	2,500		1,752	29.92%
Subtotal (Salaries)	\$ 134,792	\$ 228,500		\$ 93,708	58.99%
<b>Employee Benefits</b>					
1-09-4005-000 Payroll Taxes	10,838	16,000		5,162	67.74%
1-09-4010-000 Health Insurance	22,400	38,400		16,000	58.33%
1-09-4015-000 PERS	26,827	45,200		18,373	59.35%
Subtotal (Benefits)	\$ 60,065	\$ 99,600	\$ -	\$ 39,535	60.31%
Total Personnel Expenses	\$ 194,857	\$ 328,100	\$ -	\$ 131,491	59.39%
<b>OPERATING EXPENSES:</b>					
1-09-4050-000 Staff Travel	\$ 165	\$ 3,000		2,835	5.49%
1-09-4060-000 Staff Conferences & Seminars	12,628	15,000		2,372	84.19%
1-09-4155-000 Contracted Services	39,387	129,000		89,613	30.53%
1-09-4165-000 Memberships/Subscriptions	240	500		260	48.00%
1-09-4270-000 Telecommunications	37,528	55,500		17,972	67.62%
1-09-8000-100 Computer Equipment - Computers	5,938	25,000		19,062	23.75%
1-09-8000-200 Computer Equipment - Laptops	3,182	5,000		1,818	63.64%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-400 Computer Equipment - Printers	156	15,000		14,844	1.04%
1-09-8000-500 Computer Equipment - Toner Cartridges	148	3,000		2,852	4.92%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	36,536	35,000		(1,536)	104.39%
1-09-8100-100 Computer Software - Maint. and Support	54,271	70,000		15,729	77.53%
1-09-8100-140 Computer Software - Starnik	59,000	95,000		36,000	62.11%
1-09-8100-150 Computer Software - Dynamics GP Support	26,786	30,000		3,214	89.29%
1-09-8100-200 Computer Software - Software and Upgrades	147	15,000		14,853	0.98%
Subtotal Operating Expenses	\$ 276,111	\$ 500,500	\$ -	\$ 224,389	55.17%
Total Departmental Expenses	\$ 470,968	\$ 828,600	\$ -	\$ 355,880	56.84%

**Palmdale Water District - Project Payment Schedule  
September, 2014**

**AGENDA ITEM NO. 7.3**

<b>Contractually Committed Project Summary</b>															
Project Title	Contract Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Well No. 14A Rehabilitation	\$ 87,095	601-14	Reed / Best Drilling & Pump						\$ 80,530						
Water System Master Plan Update	\$ 196,043	14-404	MWH					\$ 6,040	\$ 8,240	\$ 21,805	\$ 14,833	\$ 30,000	\$ 30,000	\$ 40,003	\$ 45,122
2014 Water Rate Sudy	\$ 156,857	PL02	B&W / Passantino / Mailing						\$ 15,033	\$ 47,178	\$ 16,163	\$ 40,000	\$ 38,483		
Annual Tank Maintenance Program	\$ 319,100	RCP03	Superior Tank Solutions					\$ 319,100							
Distribution SCADA Radio Upgrade	\$ 140,000	PRO07	Sage Designs and Aluma				\$ 81,819	\$ 25,000				\$ 33,187			
Dredging @ Lake Outlet Structure / Mech. Repairs	\$ 300,000	403-14	Cushman Contracting			\$ 235,289	\$ 7,596						\$ 57,115		
Security Improvement Project (Feasibility/Design)	\$ 58,730	400-14	Exante 360	\$ 6,509	\$ 13,220			\$ 5,828				\$ 9,001			
Website Development	\$ 24,000	N/A	Tripepi Smith					\$ 3,625	\$ 3,625	\$ 5,083					
docSTAR Smart Automation Project	\$ 75,000	PRO23	docSTAR					\$ 10,448	\$ 14,114		\$ 675	\$ 14,000			
Board Room Audio System Improvements	\$ 26,400	N/A	CWI Cal-West			\$ 13,200	\$ 6,600	\$ 6,600							
WIFI Installation and Testing	\$ 22,844	PRO24	AKINS IT					\$ 19,844	\$ 3,000						
<b>Contractually Committed Project Payout Totals:</b>	<b>\$ 1,406,069</b>			<b>\$ 6,509</b>	<b>\$ 13,220</b>	<b>\$ 248,489</b>	<b>\$ 96,015</b>	<b>\$ 396,485</b>	<b>\$ 124,542</b>	<b>\$ 74,066</b>	<b>\$ 31,671</b>	<b>\$ 126,188</b>	<b>\$ 125,598</b>	<b>\$ 40,003</b>	<b>\$ 45,122</b>
<b>Budgeted and Uncommitted Project Summary</b>															
Project Title	Budget Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Well No. 20 Abandonment	\$ 20,000	RCP12	TBD										\$ 20,000		
Security Improvement Project (Construction)	\$ 141,270	400-14	TBD									\$ 45,000	\$ 45,000	\$ 36,270	\$ 15,000
Purchase of Radio-Read Meters	\$ 725,000	RCP01	TBD									\$ 400,000	\$ 200,000	\$ 125,000	
Installation of Radio-Read Meters	\$ 152,000	RCP02	TBD										\$ 80,000	\$ 40,000	\$ 32,000
Replacement Fleet (1) 1/2-Ton and (3) 3/4-TON Trucks	\$ 190,000	RE02-RE05	TBD									\$ 135,000	\$ 55,000		
Booster Pump Replacement and Spare Parts	\$ 45,000	PRO01 & PRO02	TBD										\$ 45,000		
Acquisition of Tax Defaulted Property	\$ 50,000	NCC02	Los Angeles County										\$ 50,000		
GAC & Filter Entry Buildings	\$ 21,000	PRO05	TBD									\$ 11,000	\$ 10,000		
<b>Budgeted and Uncommitted Project Payout Estimates:</b>	<b>\$ 1,344,270</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 591,000</b>	<b>\$ 505,000</b>	<b>\$ 201,270</b>	<b>\$ 47,000</b>
<b>Contractually Committed and Uncommitted Totals</b>															
<b>Contractually Committed and Uncommitted Totals:</b>	<b>\$ 2,750,339</b>			<b>\$ 6,509</b>	<b>\$ 13,220</b>	<b>\$ 248,489</b>	<b>\$ 96,015</b>	<b>\$ 396,485</b>	<b>\$ 124,542</b>	<b>\$ 74,066</b>	<b>\$ 31,671</b>	<b>\$ 717,188</b>	<b>\$ 630,598</b>	<b>\$ 241,273</b>	<b>\$ 92,122</b>

<b>Water Quality Fund Committed Contracts and Payout Schedule</b>															
Project Title	Contract Amount	Project No.	Payee	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
GAC Replacement @ WTP	\$ 1,199,589	WQF-1	Calgon									\$ 600,000	\$ 300,000	\$ 300,000	
GAC Replacement @ Underground Booster Station	\$ 40,000	WQF-2	Siemens										\$ 40,000		
<b>Water Quality Fund Totals:</b>	<b>\$ 1,239,589</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ 340,000</b>	<b>\$ 300,000</b>	<b>\$ -</b>



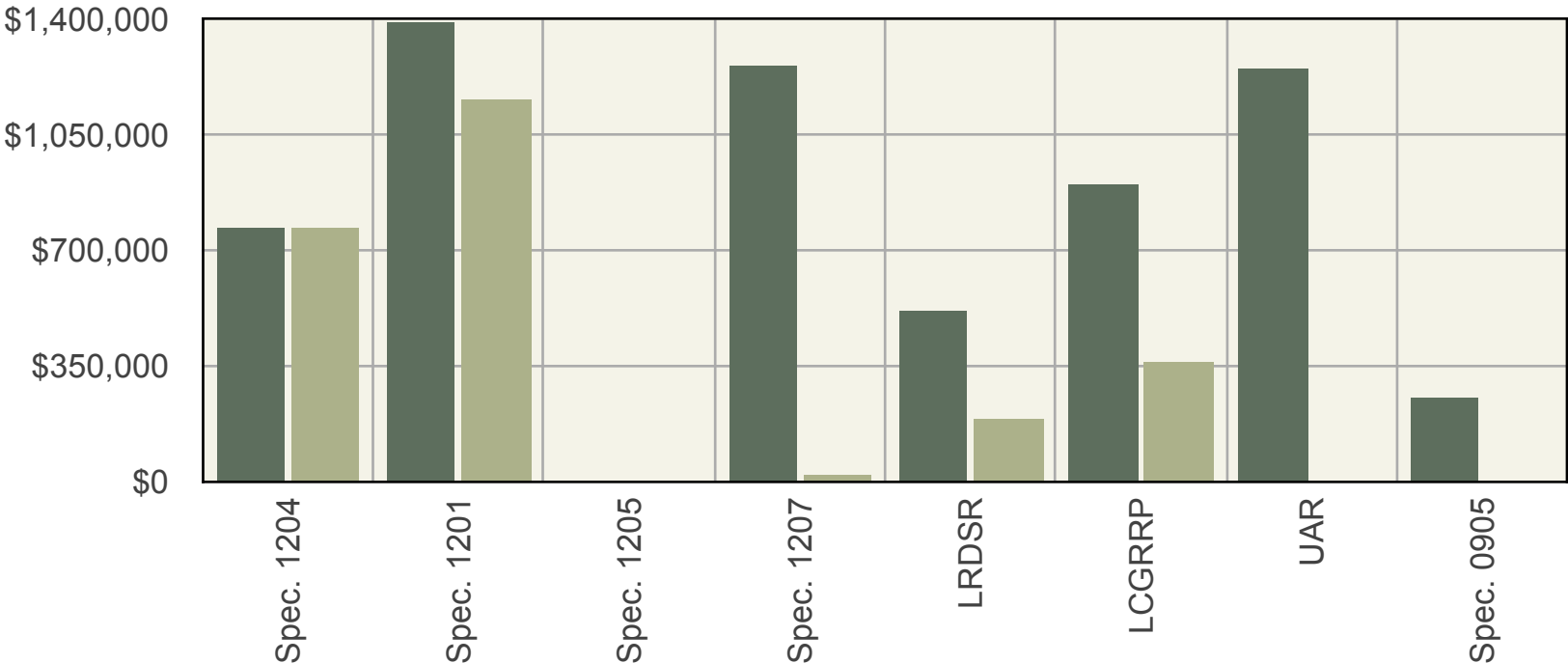
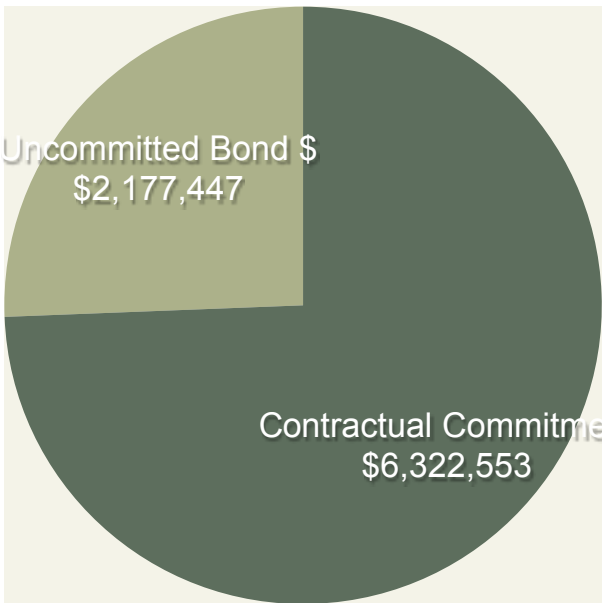
# PWD WATER REVENUE BONDS - SERIES 2013A

Contractual Commitment

Uncommitted Bond \$

Contractual Commitment

Payout to Date



Project Commitment and Payout Summary

Project	Work Order No.	Description	Allocated Bond \$	Contractual Commitment	Payout to Date	Uncommitted Bond \$
Spec. 1204	603-12	Ave. Q - Q-3, Division and Sumac	\$725,000	\$765,085	\$765,085	(\$40,085)
Spec. 1201	606-11	20th, Puerta, Sweetbriar, and 22nd St. E.	\$1,450,000	\$1,387,042	\$1,157,527	\$62,958
Spec. 1205	605-12	Frontier, 31st St. E., etc. between Ave. Q and Q-4	\$1,200,000	\$0	\$0	\$1,200,000
Spec. 1207	607-12	10th St. E. between Ave. P and Palmdale Blvd.	\$1,400,000	\$1,255,008	\$18,626	\$144,992
LRDSR	501-04	Littlerock Sediment Removal (EIR/EIS/Permits)	\$975,000	\$515,925	\$189,438	\$459,075
LCGRRP	400-12	Littlerock Recharge and Recovery (Feasibility)	\$1,500,000	\$899,493	\$358,410	\$600,507
UAR	TBD	Upper Amargosa Recharge (Project Capacity)	\$1,250,000	\$1,250,000	\$0	\$0
Spec. 0905	601-09	15th St. E. between Ave. P and Ave. Q (Material Only)	\$0	\$250,000	\$0	(\$250,000)
Totals:			\$8,500,000	\$6,322,553	\$2,489,086	\$2,177,447

Project Payout Detail

Date	Project	Description	Invoice No.	Requisition No.	Payment Amount
Jul 8, 2013	WRB	Issuance Costs	N/A	2	\$ 24,815.84
Jul 9, 2013	Spec. 1204	BV Construction - Progress Payment #1	1	3	\$ 98,552.53
Jul 17, 2013	Spec. 1207	JT Eng. - Design Progress Payment	5187	4	\$ 9,108.00
Aug 5, 2013	Spec. 1204	BV Construction - Progress Payment #2	2	5	\$ 145,175.44
Sep 4, 2013	Spec. 1204	BV Construction - Progress Payment #3-4	3 and 4	6	\$ 167,790.43
Sep 30, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-01	7	\$ 18,499.60
Sep 30, 2013	Spec. 1204	BV Construction - Progress Payment #5	5	8	\$ 46,862.08
Oct 24, 2013	Spec. 1204	BV Construction - Progress Payment #6	6	9	\$ 51,052.05
Oct 24, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-02	10	\$ 8,410.32
Nov 7, 2013	Spec. 1204	BV Construction - Progress Payment #7	7	11	\$ 87,960.50
Dec 4, 2013	Spec. 1204	BV Construction - Progress Payment #8	8	12	\$ 70,650.08
Dec 4, 2013	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-03	13	\$ 11,054.97
Jan 2, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	14	\$ 24,066.25
Jan 2, 2014	Spec. 1201	BV Construction - Progress Payment #1	1	14	\$ 29,925.00
Jan 2, 2014	Spec. 1204	BV Construction - Progress Payment #9	9	14	\$ 58,787.84
Jan 2, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-04	14	\$ 36,178.95
Jan 2, 2014	Spec. 1207	JT Eng. - Design Progress Payment	5200	14	\$ 9,518.00
Jan 21, 2014	Spec. 1201	BV Construction - Progress Payment #2 & #3	2 & 3	15	\$ 114,095.00
Feb 24, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-05	16	\$ 4,917.47
Feb 24, 2014	Spec. 1201	BV Construction - Progress Payment #4 & #5	4 & 5	16	\$ 131,743.15
Mar 3, 2014	Spec. 1204	BV Construction - Retention Payment	10	17	\$ 38,254.26
Mar 3, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	79010 & 80391	17	\$ 113,652.66
Mar 31, 2014	Spec. 1201	BV Construction - Progress Payment #6	6	18	\$ 126,834.50
Mar 31, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-06 and 07	18	\$ 17,080.04
Apr 16, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	78236	19	\$ 28,228.60
Apr 16, 2014	Spec. 1201	BV Construction - Progress Payment #7	7	19	\$ 252,741.80
May 15, 2014	Spec. 1201	BV Construction - Progress Payment #8	8	20	\$ 69,825.00
May 15, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-08	20	\$ 33,388.96
May 15, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	82422 & 80900	20	\$ 135,858.74
Jun 4, 2014	Spec. 1201	BV Construction - Progress Payment #9	9	21	\$ 67,260.00
Jun 4, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-09	21	\$ 31,845.93
Jun 30, 2014	Spec. 1201	BV Construction - Progress Payment #10	10	22	\$ 139,498.00
Jun 30, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	83735	23	\$ 30,172.21
Jun 30, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-10	23	\$ 10,672.32
Jul 21, 2014	Spec. 1201	BV Construction - Progress Payment #11	11	24	\$ 141,217.50
Jul 21, 2014	LCGRRP	Kennedy/Jenks - Progress Payment	84147	24	\$ 26,431.83
Jul 21, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-11	24	\$ 6,274.20
Aug 19, 2014	Spec. 1201	BV Construction - Progress Payment #12	12	25	\$ 84,386.60
Aug 19, 2014	LRDSR	Aspen - EIR/EIS Progress Payment	1116.002-12	25	\$ 11,115.51

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

**DATE:** September 3, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Matthew R. Knudson, Assistant General Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION  
ON REVISIONS TO APPENDIX M BOUNDARY MAP OF THE  
DISTRICT’S RULES AND REGULATIONS.***

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**Recommendation:**

Staff and the Finance Committee recommend the Board approve revisions to the Appendix M Boundary Map of the District’s Rules and Regulations.

**Background:**

Appendix M of the District’s Rules and Regulations is the District’s Bid Procurement and Change Order Policy. This policy allows for a five percent contract bid reduction to a bidder considered to be a “local contractor or vendor” as identified on the “Local Contractor and Vendor Boundary Map.” This Map has been revised to clarify and better define the boundaries for local contractors or vendors. There are no other changes proposed for Appendix M.

**Strategic Initiative:**

This work is part of Strategic Initiative No. 1 – Strategic Water Management.

**Budget:**

This revision will have no impact on the budget.

**Supporting Documents:**

- Appendix M – Bid Procurement and Change Order Policy



## APPENDIX M

### BID PROCUREMENT AND CHANGE ORDER POLICY

#### I. Work Costing More Than \$25,000

a. Except as otherwise provided in this statement of policy, all contracts for any improvement, job, construction project or unit of work (herein referred to as work), and all acquisitions of material or equipment, estimated to cost or to have a value when completed in excess of Twenty-Five Thousand Dollars (\$25,000), shall be let to the lowest responsible bidder in the manner hereinafter provided.

b. The Board shall first determine whether the contract shall be let or the acquisition made, as a single unit for the whole of the work or acquisition, or whether it shall be divided into severable convenient parts.

c. The Contract documents shall be prepared utilizing the District's standard forms, with such modification as may be appropriate for the particular work or unit of work, or the acquisition of materials or equipment. In the case of work to be performed for the District, the documents to be prepared shall ordinarily include the Notice Inviting Bids, Instructions to Bidders, the Proposal for submission by the bidder, the Information Required of Bidder, setting forth the equipment and material source and other required information, Contractor's Licensing Statement, List of Subcontractors, Bid Security Form, Agreement, Faithful Performance Bond, Payment Bond, Non-Collusion Affidavit, Notice to Proceed, General Provisions, Special Provisions, and Plans and Specifications.

d. Unless otherwise required by the provisions of the Public Contract Code, the District may advertise in the F. W. Dodge Green Sheet, the Construction Market Data and

similar publications, inviting sealed proposals for furnishing labor for or materials or supplies for use or incorporation in, the proposed work or unit of work, or for providing materials or equipment. To the extent applicable to a specific work or acquisition, the notice calling for bids shall contain the information specified in Section 20564 of the Public Contract Code. In the event that the construction of works is to be paid for with the proceeds of the sale of bonds or a limited assessment, the District shall give said notice by publication once a week for three (3) successive weeks in a newspaper of general circulation published in the District as specified in Section 20563 of the Public Contracts Code.

e. All bids shall be presented under sealed cover on forms furnished by the District, and, in the case of a bid to perform work for the District, it shall be accompanied by one of the following forms of bidder's security: (1) cash, (2) a cashier's check made payable to the District, (3) a certified check made payable to the District, or (4) a bidder's bond executed by an admitted surety insurer made payable to the District.

f. At the time and place appointed and set forth in the Notice Inviting Bids, the bids shall be opened in public.

g. The District shall assign a five (5) percent contract bid reduction to a bidder which is a "Local Contractor or Vendor," as defined in (n)(1).

h. The Board may reject any and all proposals or bids should it deem it to be for the public good, or may award the contract for the work or unit of work, or materials or equipment, to the lowest responsible bidder at the prices named or specified in the bid or proposal subject however to Paragraph i.

i. Once all bids have been opened, the bids of those bidders which are "Local Contractors or Vendors" shall be reduced by five percent (5%) for purposes of determining the lowest responsible bidder. If the bid of a Local Contractor or Vendor, after applying the contract

bid reduction provided for in Paragraph g, is then the lowest responsible bid, that Local Contractor or Vendor shall be awarded the contract at the amount of its bid without regard to any contract bid reduction, subject to the remaining provisions of this policy.

j. The District or its agents may refuse to award a contract under Section i to a Local Contractor or Vendor if it makes a determination that the products purchased or work provided by a bidder cannot be provided within a timely manner for the performance of the contract or a determination the Local Contractor or Vendor cannot meet specified quality performance standards or experience requirements.

k. If any federal or state statute or regulation precludes the granting of federal or state assistance or reduces the amount of that assistance for a particular public works project because of a preference awarded according to the terms of this policy, this policy shall not apply insofar as its application would preclude or reduce federal or state assistance for that work.

l. In the case of work to be performed for the District, the District shall require the successful bidder or bidders to file with the Board good and sufficient bonds, to be approved by the Board, conditioned upon the faithful performance of the contract and upon payment of all claims for labor and materials in connection therewith.

m. In the case of work to be performed from the District, the District shall require the successful bidder or bidders to carry public liability and property damage insurance, workers' compensation insurance, and other insurance, in the amounts and under the terms stipulated in the Contract documents.

n. The following terms shall have the following meanings:

1) "Local Contractor or Vendor" means a contractor or vendor whose principal place of business as reflected in official records is located in the area shown on the Local Contractor and Vendor Boundary Map attached hereto.



Those claiming to be Local Contractors and Vendors shall submit proof of their principal place of business with their bid.

2) "Lowest Responsible Bidder" shall mean a person who submits the lowest monetary bid, taking into account the contract bid reduction provided for in paragraph g, and which responds to the terms upon which bids were requested, and who has the capacity, integrity and ability to perform the particular requirements of the contract. Factors which may be considered in determining the "lowest responsible bidder" include, but are not limited to, all of the following:

a) The contractor's prior record of performance on other public works projects, if any, including timely completion of performance, quality of work, and completion of projects within project budget or bid amount submitted.

b) The contractor's involvement in any ongoing litigation or contract disputes with the awarding authority which could impair satisfactory performance on the contract to be awarded.

c) The contractor's history of noncompliance with occupational safety and health requirements, labor statutes and regulations, and other local, state, and federal laws.

## **II. Work or Acquisitions Costing More Than \$3,000, But Not More than \$25,000**

All contracts for any work or unit of work, and all acquisitions of materials or equipment, estimated to cost or to have a value when completed in excess of Three Thousand Dollars (\$3,000), but not more than Twenty-Five Thousand Dollars (\$25,000), shall be reviewed by a Committee of the Board, and shall be submitted for formal competitive bids in accordance with this statement of policy only if the Committee shall so recommend and the Board shall concur by

a majority vote. In the event no formal competitive bids are solicited, the Board may also give local contractors and vendors a preference.

### **III. Work or Acquisitions Costing Less Than \$3,000**

All contracts for any work or unit of work, and all acquisitions of materials or equipment, estimated to cost or to have a value when completed that is less than Three Thousand Dollars (\$3,000), may be authorized by the District's General Manager without compliance with any formal competitive bidding procedure or prior Board approval, and in any such case he may authorize the work or unit of work or acquire the materials or equipment, by informal bidding or quotations or by purchase on the open market without advertising. The District's General Manager may give local contractors and vendors a preference.

### **IV. Change Order Policy**

All change orders occurring during the performance of a contract shall be reported to the Board. Change order amounts which are Three Thousand Dollars (\$3,000) or less or which are ten percent (10%) or less of the original contract amount up to a maximum amount of Twenty-Five Thousand Dollars (\$25,000) may be authorized by the District's General Manager; however, change order amounts greater than Three Thousand Dollars (\$3,000) and greater than ten percent (10%) of the original contract amount up to a maximum change order amount of Twenty-Five Thousand Dollars (\$25,000) shall be approved by the Bid Committee of the Board. The Board shall by a majority vote approve all change order amounts in excess of Twenty-Five Thousand Dollars (\$25,000). In the case of contracts with unit prices, if the number of units of significant bid items increases by twenty percent (20%) or more, Board approval must be obtained.

### **V. Exceptions to Statement of Policy**

The policy specified in this statement shall not apply in the following cases or circumstances:

- (1) A contract for the acquisition or disposal of any real property.
- (2) A contract for the leasing of any personal property or the acquisition of personal property other than materials and equipment for use in construction activities.
- (3) A contract for the purchase of water or water rights.
- (4) A contract for the repair of District equipment.
- (5) A contract for legal, engineering and other professional services.
- (6) A contract for the performance of work or acquisition of materials or equipment deemed by the Board to be of urgent necessity for the preservation of life, health or property, or in order to continue to provide water to the District's existing customers, and such action is authorized by a two-thirds vote of the District's Board.
- (7) The repair, alteration, addition, or the making of improvements, by force account.
- (8) Work related to and in furtherance of the purposes of the District, or materials or equipment acquired for such purposes, where such work is to be performed or such materials or equipment are to be acquired, for the account of other persons or entities, an example of such work or acquisition being the construction of a water transmission line or the installation of meters or other facilities for a developer and done at the developer's expense.
- (9) A contract for the performance of work or acquisition of materials in instances where work and materials are regularly and periodically required and work and materials are repairs or replacements of prior works or materials relating to the following:
  - (a) Asphalt and concrete patching;
  - (b) Janitorial supplies;

- (c) Office supplies;
- (d) Aggregate (sand, base and similar materials);
- (e) Cold mix asphalt;
- (f) Data mailers;
- (g) Water meters.

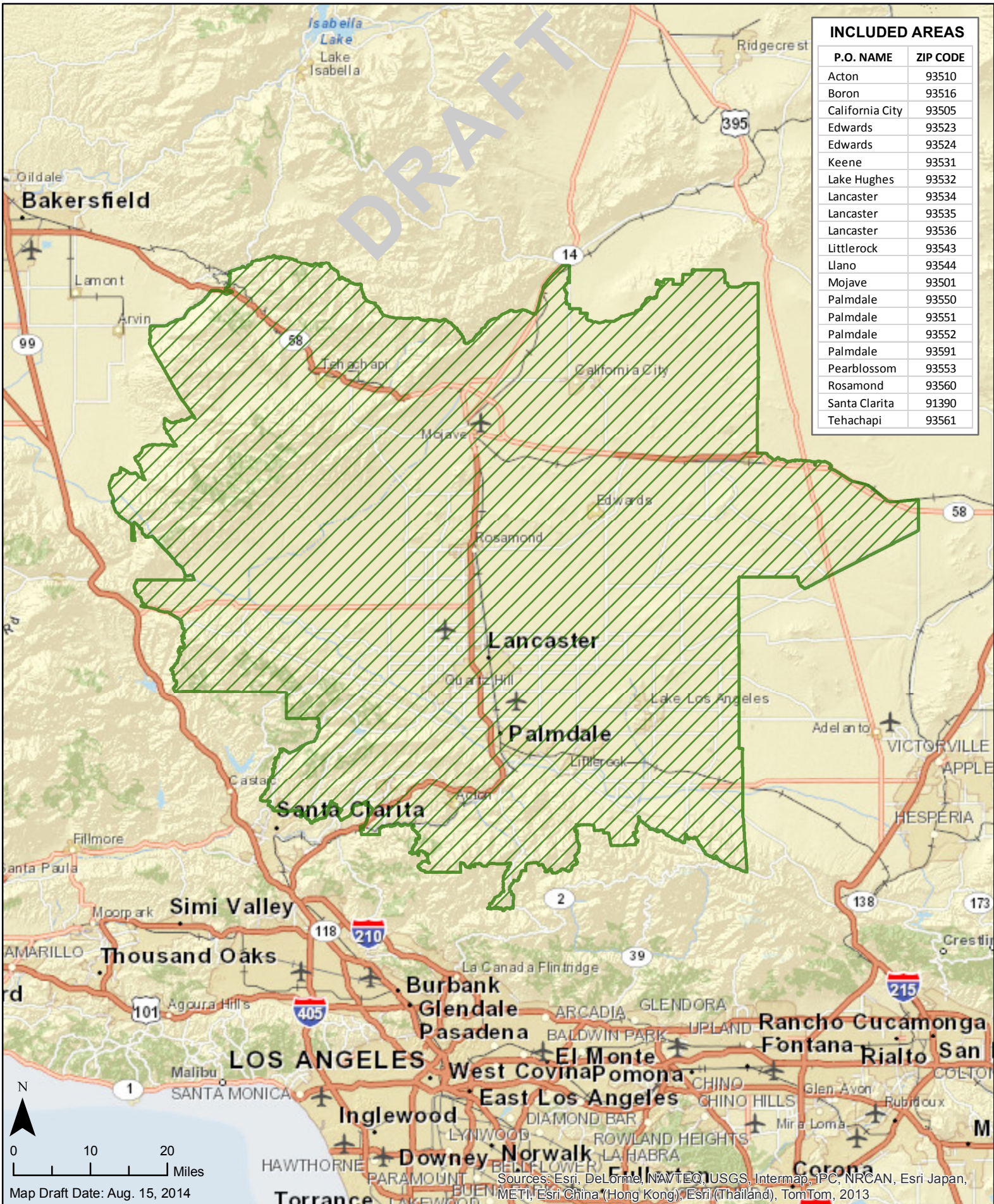
**VI. Scope of Statement of Policy**

This statement of policy establishes the manner of calling for bids and letting contracts for the performance of work for the District or the acquisition of materials or equipment. However, notwithstanding this statement, all contracts for work and all contracts for acquisition of materials and equipment, may be made or entered into upon such terms and conditions and in such manner as the Board may determine is in the best interest of the District.

BID PROCUREMENT POLICY APPROVED AND ADOPTED AT A  
REGULAR BOARD MEETING OF THE PALMDALE WATER DISTRICT  
BOARD OF DIRECTORS HELD April 19, 1990

Revised 1-14-92  
Revised 9-15-92  
Revised 4-25-94  
Revised 11-10-97





INCLUDED AREAS	
P.O. NAME	ZIP CODE
Acton	93510
Boron	93516
California City	93505
Edwards	93523
Edwards	93524
Keene	93531
Lake Hughes	93532
Lancaster	93534
Lancaster	93535
Lancaster	93536
Littlerock	93543
Llano	93544
Mojave	93501
Palmdale	93550
Palmdale	93551
Palmdale	93552
Palmdale	93591
Pearlblossom	93553
Rosamond	93560
Santa Clarita	91390
Tehachapi	93561

**PALMDALE WATER DISTRICT RULES AND REGULATIONS APPENDIX "M"**  
**LOCAL CONTRACTOR AND VENDOR BOUNDARY MAP**



**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** September 3, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Matthew R. Knudson, Assistant General Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION  
ON PROJECT LABOR AGREEMENT BY AND BETWEEN THE  
PALMDALE WATER DISTRICT AND LOS ANGELES/ORANGE  
COUNTIES BUILDING AND CONSTRUCTION TRADES COUNCIL  
AND THE SIGNATORY CRAFT COUNCILS AND UNIONS.***

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**Recommendation:**

The Finance Committee recommends the Board approve a Project Labor Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions.

**Background:**

At the direction of the Board, staff met with representatives from the Los Angeles/Orange Counties Building and Construction Trades Council over the past several months to develop a Project Labor Agreement. The attached Agreement is the result of those meetings.

**Strategic Initiative:**

This work is part of Strategic Initiative No. 2 – Increased Efficiency.

**Supporting Documents:**

- Project Labor Agreement By and Between the Palmdale Water District and Los Angeles/Orange Counties Building and Construction Trades Council and the Signatory Craft Councils and Unions.

PROJECT LABOR AGREEMENT  
BY AND BETWEEN  
THE PALMDALE WATER DISTRICT  
AND  
LOS ANGELES/ORANGE COUNTIES  
BUILDING AND CONSTRUCTION TRADES COUNCIL  
AND THE SIGNATORY CRAFT COUNCILS AND UNIONS

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**PALMDALE WATER DISTRICT  
PROJECT LABOR AGREEMENT  
FOR NEW CONSTRUCTION AND MODERNIZATION**

This Project Labor Agreement (“Agreement”) is entered into by and between the Board of Directors of the Palmdale Water District, and its successors or assigns, (“District”), the Los Angeles/Orange Counties Building and Construction Trades Council (“Council”), and the signatory Craft Councils and Local Unions signing this Agreement (collectively, the “Union” or “Unions”). This Agreement establishes the labor relations Policies and Procedures for the District and for the craft employees represented by the Unions engaged in the District’s Improvement Projects as more fully described below. The District, Council and Unions are hereinafter referred to herein, as the context may require, as “Party” or “Parties.”

It is understood by the Parties to this Agreement that if this Agreement is acceptable to the District, it will become the policy of the District, to the extent permitted by law as noted in Section 2.7 hereinafter, for the Project Work to be contracted exclusively to Contractors who agree to execute and be bound by the terms of this Agreement, directly or through the Letter of Assent (a form of which is attached as “Attachment A”), and to require each of its subcontractors, of whatever tier, to become bound. The District shall include, directly or by incorporation by reference, the requirements of this Agreement in the advertisement of and/or specifications for each and every contract for Project Work to be awarded by the District.

It is further understood that the District shall actively administer and enforce the obligations of this Agreement, again to the extent permitted by law as noted in Section 2.7 hereinafter, to ensure that the benefits envisioned from it flow to all signatory Parties, the Contractors and crafts persons working under it, and the residents and rate payers of the District. The District shall therefore designate a “Project Labor Coordinator,” either from its own staff or an independent contractor acting on behalf of the District, to monitor compliance with this Agreement; assist, as the authorized representative of the District, in developing and implementing the programs referenced herein, all of which are critical to fulfilling the intent and purposes of the Parties and this Agreement; and to otherwise implement and administer this Agreement. For such purposes, each Contractor recognizes the Project Labor Coordinator, its successors or assigns, as its agent; and together with District and the Unions, the Project Labor Coordinator shall be considered a “negotiating party” of this Agreement.

**ARTICLE I  
DEFINITIONS**

Section 1.1     "Agreement" means this Project Labor Agreement.

Section 1.2     "Apprentice" means those employees indentured and participating in a Joint Labor/Management Apprenticeship Program approved by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.

Section 1.3     "Construction Contract" and "Construction Contracts" means any contract entered into by the as defined by Section 2.2.

Section 1.4 "Contractor" means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a Construction Contract with the District or any of its contractors or any of the District's or contractor's subcontractors of any tier, with respect to the construction of any part of a Project under contract terms and conditions approved by the District and which incorporate this Agreement.

Section 1.5 "District" means the PALMDALE WATER DISTRICT.

Section 1.6 "Joint Labor/Management Apprenticeship Program" as used in this Agreement means a joint Union and Contractor administered apprenticeship program certified by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.

Section 1.7 "Letter of Assent" means the document that each Contractor (of any tier) must sign and submit to the District before beginning any Project Work, which formally binds such Contractor(s) to adherence to all the forms, requirements and conditions of this Agreement in the form attached hereto as Attachment A.

Section 1.8 "Project" or "District Project" means the construction work to be performed on District property or within easements secured by the District consisting of the construction of public works, pursuant to a Construction Contract entered into by the District, as more fully described in Article 2, below.

Section 1.9 "Schedule A Agreements" as used in this Agreement means the local Master Labor Agreements of the signatory Unions having jurisdiction over the Project Work and which have signed this Agreement.

Section 1.10 "Subscription Agreement" means the contract between a Contractor and a Union's Labor/Management Trust Fund(s) that allows the Contractor to make the appropriate fringe benefit contributions in accordance with the terms of Schedule A.

Section 1.11 The use of masculine or feminine gender or titles in this Agreement should be construed as including both genders and not as gender limitations unless the Agreement clearly requires a different construction. Further, the use of Article titles and/or Section headings are for information only, and carry no legal significance.

## ARTICLE 2 SCOPE OF THE AGREEMENT

Section 2.1 General: This Agreement shall apply and is limited to all of the District's Project Work, as specified in Section 2.2 of this Article, performed by those Contractor(s) of whatever tier that have contracts awarded for such work, for the development of the District's facilities which, jointly, constitute the Project, and have been designated by the District for construction or rehabilitation.

Section 2.2 Specific: The work covered by this Agreement is defined and limited to:

(a) All construction and rehabilitation work pursuant to prime multi-trade contracts that exceed \$125,000.00; and

(b) All prime specialty contracts that exceed \$25,000.00, and all subcontracts arising from these prime contracts;

(c) Work that is awarded during the effective date of this Agreement.

Section 2.3 Bundling of Contracts: The Parties understand that, to the maximum extent feasible, and consistent with goals of the District to (i) utilize this Agreement as the labor relations policy for its construction and rehabilitation program and (ii) fully utilize the services of local small business enterprises for such construction and rehabilitation work:

(a) The District, in its sole discretion, with the advice of the Project Labor Coordinator, will seek to group (or “bundle”) for bidding, contracts not meeting the thresholds of Section 2.2 (a) or (b) above. (Small contracts for like types of work, scheduled to be undertaken at the same facility or on the same project site, and within the same timeframe, will be considered for such bundling, consistent with economies of scale, and the purposes of this Agreement); and

(b) Project Work will not be split, divided or otherwise separated for contract award purposes to avoid application of this Agreement.

Section 2.4 The Parties agree that this Agreement will be made available to, and will fully apply to, any successful bidder for Project Work, without regard to whether that successful bidder performs work at other sites on either a union or non-union basis. This Agreement shall not apply to any work of any Contractor other than that on Project Work specifically covered by this Agreement.

Section 2.5 Exclusions: Items specifically excluded from the Scope of this Agreement include the following:

(a) Work of non-manual employees, including but not limited to: superintendents; construction inspectors; teachers; supervisors; staff engineers; time keepers; mail carriers; clerks; office workers; messengers; guards; safety personnel; emergency medical and first aid technicians; and other professional, engineering, administrative, supervisory and management employees;

(b) Equipment and machinery owned or controlled and operated by the District;

(c) All off-site manufacture and handling of materials, equipment or machinery; provided, however, that lay down or storage areas for equipment or material and manufacturing (prefabrication) sites, dedicated solely to the Project or Project Work, and the movement of materials or goods between locations on a Project site are within the scope of this Agreement;

(d) All employees of the District, Project Labor Coordinator, design teams (including, but not limited to architects engineers and master planners), or any other consultants for the District (including, but not limited to, project managers and construction managers and their

employees were not engaged in Project Work) and their sub-consultants, and other employees of professional service organizations, not performing manual labor within the scope of this Agreement; provided, however, that it is understood and agreed that Building/Construction Inspector and Field Soils and Materials Testers (Inspectors) are a covered craft under the PLA. (This inclusion applies to the scope of work defined in the State of California Wage Determination for said Craft. This shall also specifically include such work where it is referred to by utilization of such terms as "quality control" or "quality assurance." Every Inspector performing under the Wage classification of Building/Construction Inspector and Field Soils and Material Testers under a professional services agreement of a construction contract shall be bound to all applicable requirements of the PLA.) Covered Work as defined by this Agreement shall be performed pursuant to the terms and conditions of this Agreement regardless of the manner in which the work was awarded;

(e) Any work performed on or near or leading to or into a site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their Contractors; or by public utilities, or their Contractors; and/or by the District or its Contractors (for work for which is not within the scope of this Agreement);

(f) Maintenance of leased equipment and on-site supervision of such work;

(g) It is recognized that certain materials, equipment and systems of a highly technical and specialized nature will have to be installed at the Project. The nature of the materials, equipment and systems, together with requirements of manufacturer's or vendor's warranty, may dictate that it be prefabricated, pre-piped, and/or pre-wired and that it be installed under the supervision and direction of Owner's and/or manufacturer's personnel. The Unions agree to install such material, equipment and systems without incident;

(h) Non-construction support services contracted by the District, Project Labor Coordinator, or Contractor in connection with this Project;

(i) Laboratory work for testing.

## Section 2.6 Awarding of Contracts

(a) The District and/or the Contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project to any Contractor notwithstanding the existence or non-existence of any agreements between such Contractor and any Union parties, provided only that such Contractor is willing, ready and able to execute and comply with this Project Labor Agreement should such Contractor be awarded work covered by this Agreement.

(b) It is agreed that all Contractors and subcontractors of whatever tier, who have been awarded contracts for work covered by this Agreement, shall be required to accept and be bound to the terms and conditions of this Project Labor Agreement, and shall evidence their acceptance by the execution of the Letter of Assent as set forth in Attachment A hereto, prior to the commencement of work. At the time that any Contractor enters into a subcontract with any subcontractor of any tier providing for the performance on the construction contract, the Contractor shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor, as a part of accepting the award of a construction subcontract, to agree in writing



in the form of a Letter of Assent to be bound by each and every provision of this Agreement prior to the commencement of work on the Project. No Contractor or subcontractor shall commence Project Work without having first provided a copy of the Letter of Assent as executed by it to the Project Labor Coordinator and to the Council forty-eight (48) hours before the commencement of Project Work, or within forty-eight (48) hours after the award of Project Work to that Contractor (or subcontractor), whichever occurs later.

(c) The District agrees that to the extent permitted by law and consistent with the economy and efficiency of construction and operation, it will use its best efforts to purchase materials, equipment and supplies which will not create labor strife. Under all circumstances, however, the District shall retain the absolute right to select the lowest reliable and responsible bidder for the award of contracts on all projects.

#### Section 2.7 Coverage Exception

(a) This Agreement shall not apply if the District receives funding or assistance from any Federal, State, local or other public entity for the Construction Contract if a requirement, condition or other term of receiving that funding or assistance, at the time of the awarding of the contract, is that the District not require, bidders, contractors, subcontractors or other persons or entities to enter into an agreement with one or more labor organizations or enter into an agreement that contains any of the terms set forth herein. The District agrees that it will use its best commercially reasonable efforts to establish the enforcement of this Agreement with any governmental agency or granting authority where permitted by law.

(b) Should District partner with another public agency wherein District and such other public agency jointly fund or construct a Project which would otherwise be considered a "Covered Project" under the terms of this Agreement, the Unions agree to meet and discuss the application of the terms and conditions of this Agreement to such other Project with such other public agency. In the event the public agency partner does not agree to be bound by the terms of this Agreement, the said project shall be exempt from this Agreement.

#### Section 2.8 Schedule A's

(a) The provisions of this Agreement, including the Schedule A's, (which are the local Master Labor Agreements of the signatory Unions having jurisdiction over the work on the Project, as such may be changed from time-to-time and which are incorporated herein by reference) shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreement which may conflict with or differ from the terms of this Agreement. However, such does not apply to work performed under the National Cooling Tower Agreement, the National Stack Agreement, the National Transit Division Agreement (NTD), or within the jurisdiction of the International Union of Elevator Constructors and all instrument calibration and loop checking work performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, except that Articles dealing with Work Stoppages and Lock-Outs, Work Assignments and Jurisdictional Disputes, and Settlement of Grievances and Disputes shall apply to such work. It is specifically agreed that no later agreement shall be deemed to have precedence over this Agreement unless signed by all Parties signatory hereto who are then currently employed or represented at the Project. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the

provisions of this Agreement shall apply. Where a subject is covered by a provision of a Schedule A and not covered by this Agreement, the provisions of the Schedule A shall prevail. Any dispute as to the applicable source between this Agreement and any Schedule A for determining the wages, hours of working conditions of employees on this Project shall be resolved under the procedures established in Article 10.

(b) It is understood that this Agreement, together with the referenced Schedule A's, constitutes a self-contained, stand-alone agreement and by virtue of having become bound to this Project Labor Agreement, the Contractor will not be obligated to sign any other local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement (provided, however, that the Contractor may be required to sign a uniformly applied, non-discriminatory Participation Agreement at the request of the trustees or administrator of a trust fund established pursuant to Section 302 of the Labor Management Relations Act, and to which such Contractor is bound to make contributions under this Agreement, provided that such Participation Agreement does not purport to bind the Contractor beyond the terms and conditions of this Agreement and/or expand its obligation to make contributions pursuant thereto). It shall be the responsibility of the prime Contractor to have each of its subcontractors sign the documents described herein, with the appropriate Craft Union prior to the subcontractor beginning work on covered Projects.

**Section 2.9 Workers' Compensation Carve-out:** The Parties recognize the potential which the Project Work may provide for the implementation of a cost effective workers' compensation system, as permitted by revised California Labor Code Section 3201.5, and it is understood that the District is in an ongoing review of the value of such a program. Should the District request, the Union parties agree to meet and negotiate in good faith with representatives of the District for the development, and subsequent implementation, of an effective program involving improved and revised dispute resolution and medical care procedures for the delivery of workers' compensation benefits and medical coverage as permitted by the California Labor Code.

**Section 2.10 Binding Signatories Only:** This Agreement shall only be binding on the signatory Parties hereto, and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such Party.

**Section 2.11 Other District Work:** This Agreement shall be limited to the construction work within the Scope of this Agreement including, specifically, site preparation and related demolition work, and new construction and major rehabilitation work for new or existing facilities referenced in Section 2.2 above. Nothing contained herein shall be interpreted to prohibit, restrict, or interfere with the performance of any other operation, work or function not covered by this Agreement, which may be performed by district Employees or contracted for by the District for its own account, on its property or in and around a Project site.

**Section 2.12 Separate Liability:** It is understood that the liability of the Contractor(s) and the liability of the separate Unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the District or Project Labor Coordinator and/or any Contractor.

**Section 2.13 Completed Project Work:** As areas of covered work are accepted by the District, this Agreement shall have no further force or effect on such items or areas except where the

Contractor is directed by the District or its representatives to engage in repairs, modification, check-out and/or warranties functions required by its contract(s) with the District.

### ARTICLE 3 UNION RECOGNITION AND EMPLOYMENT

Section 3.1    Recognition: The Contractor recognizes the Council and the signatory local Unions as the exclusive bargaining representative for the employees engaged in Project Work. Contractors further recognize that the Unions shall be the primary source of all craft labor employed on District Projects. In the event that a Contractor has its own core workforce, said Contractor shall follow the procedures outlined below.

Section 3.2    Contractor Selection of Employees: The Contractor shall have the right to determine the competency of all employees, the number of employees required, the duties of such employees within their craft jurisdiction, and shall have the sole responsibility for selecting employees to be laid off, consistent with Section 3.3 and Section 4.3, below. The Contractor shall also have the right to reject any applicant referred by a Union for any reason, subject to any reporting pay required by Section 6.6; provided, however, that such right is exercised in good faith and not for the purpose of avoiding the Contractor's commitment to employ qualified workers through the procedures endorsed in this Agreement.

Section 3.3    Referral Procedures:

(a)        For signatory Unions now having a job referral system contained in a Schedule A, the Contractor agrees to comply with such system and it shall be used exclusively by such Contractor, except as modified by this Agreement. Such job referral system will be operated in a nondiscriminatory manner and in full compliance with federal, state, and local laws and regulations which require equal employment opportunities and non-discrimination. All of the foregoing hiring procedures, including related practices affecting apprenticeship, shall be operated so as to consider the goals of the District to encourage employment of District residents and utilization of small local businesses on the Project, and to facilitate the ability of all Contractors to meet their employment needs.

(b)        The local Unions will exert their best efforts to recruit and refer sufficient numbers of skilled craft workers to fulfill the labor requirements of the Contractor, including specific employment obligations to which the Contractor may be legally and/or contractually obligated; and to refer apprentices as requested to develop a larger, skilled workforce. The local Unions will work with their affiliated regional and national unions, and jointly with the Project Labor Coordinator and others designated by the District, to identify and refer competent craft persons as needed for Project Work, and to identify and hire individuals, particularly residents of the District, for entrance into joint labor/management apprenticeship programs, or to participate in other identified programs and procedures to assist individuals in qualifying and becoming eligible for such apprenticeship programs, all maintained to increase the available supply of skilled craft personnel for Project Work and future construction of maintenance work to be undertaken by the District.

(c)        The Union shall not knowingly refer an employee currently employed by a Contractor on a covered Project to any other Contractor.

Section 3.4 Non-Discrimination in Referral, Employment, and Contracting: The Unions and Contractors agree that they will not discriminate against any employee or applicant for employment in hiring and dispatching on the basis of race, color, religion, sex, gender, national origin, age, membership in a labor organization, sexual orientation, political affiliation, marital status or disability. Further, it is recognized that the District has certain policies, programs, and goals for the utilization of local small business enterprises. The Parties shall jointly endeavor to assure that these commitments are fully met, and that any provisions of this Agreement which may appear to interfere with local small business enterprises successfully bidding for work within the scope of this Agreement shall be carefully reviewed, and adjustments made as may be appropriate and agreed upon among the Parties, to ensure full compliance with the spirit and letter of the District's policies and commitment to its goals for the significant utilization of local small businesses as direct Contractors or suppliers for Project Work.

Section 3.5 Employment of District Residents:

(a) The Unions and Employers agree that, to the maximum extent allowed by law, and as long as they possess the requisite skills and qualifications, the Unions will exert their best efforts to refer and/or recruit sufficient numbers of skilled craft "Local Residents" as defined herein, to fulfill the requirements of the Employers. In recognition of the fact that the District and the communities surrounding Project Work will be impacted by the construction of the Project, the parties agree to support the hiring of workers from the residents of these surrounding areas. Towards that end, the Unions agree that they will exert their best efforts to encourage and provide referrals and utilization of qualified workers residing in those first tier zip codes which overlap the District service area, as attached hereto. If the Unions cannot provide the Employers in the attainment of a sufficient number of Local Residents from within the first tier zip codes, the Unions will exert their best efforts to then recruit and identify for referral Local Residents residing within the greater Antelope Valley area, as reflected on the attached list of zip codes. If the Unions still have not provided the Employers in the attainment of a sufficient number of Local Residents, the Unions will then exert their best efforts to recruit and identify for referral Local Residents residing within certain surrounding area zip codes, as reflected on the attached list of zip codes, as well as the remainder of the County of Los Angeles.

(b) A goal of 30% of all of the labor and craft positions shall be from workers residing within the District area described in (a) above. In addition, a goal of 10 % of all of the labor and craft positions shall be from disadvantaged workers and/or veterans residing within the tier 1 and tier 2 zip codes, as reflected on the attached list of zip codes.

(c) The Project Labor Coordinator will coordinate with the Unions to ensure disadvantaged workers and veterans are referred to the Unions from community-based job placement organizations. The community-based job placement organizations shall pre-screen any applicant prior to referral to the Unions. Drug screening will be a prerequisite to employment. The following criteria will be used to identify disadvantaged workers:

- Gross Household income below 50% of the Los Angeles County median
- Homeless;
- Welfare recipient;
- History of involvement with the penal system;
- Unemployed; and
- Single parent.

For the applicant to qualify under this program, the community-based job placement organizations shall verify the presence of a minimum of two of the above criteria for those applicants referred to the Unions.

(d) The Project Labor Coordinator shall work with the Unions and Contractors in the administration of this local residency and disadvantaged worker preference; and the Contractors and Unions shall cooperate by maintaining adequate records to demonstrate to the Project Labor Coordinator that such preferences have been pursued.

Section 3.6 To facilitate the dispatch of local residents, disadvantaged workers and veterans, all Contractors will be required to utilize the Craft Employee Request Form whenever they are requesting the referral of any employee from a Union referral list for any Covered Project, a sample of which is attached as Attachment C. When local residents, disadvantaged workers and veterans are requested by the Employers, the Unions will refer such workers regardless of their place in the Union's hiring halls' list and normal referral procedures.

Section 3.7 Helmets to Hardhats: The Employers and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the Parties. For purposes of this Agreement the term "Eligible Veteran" shall have the same meaning as the term "veteran" as defined under Title 5, Section 2108(1) of the United States Code as the same may be amended or re-codified from time to time. It shall be the responsibility of each qualified District resident to provide the Unions with proof of his/her status as an Eligible Veteran.

The Unions and Employers agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

#### Section 3.8 Core Employees:

(a) Except as otherwise provided in separate collective bargaining agreement(s) to which the Contractor is signatory, Contractors may employ, as needed, first, a member of his core workforce, then an employee through a referral from the appropriate Union hiring hall, then a second core employee, then a second employee through the referral system, and so on until a maximum of five (5) core employees are employed, thereafter, all additional employees in the affected trade or craft shall be requisitioned from the craft hiring hall in accordance with Section 3.3. In the laying off of employees, the number of core employees shall not exceed one-half plus one of the workforce for an employer with 10 or fewer employees, assuming the remaining employees are qualified to undertake the work available. This provision applies only to employees not currently working under a current Schedule A Agreement and is not intended to limit the transfer provisions of the Schedule A Agreement of any trade. As part of this process, and in order to facilitate the contract administration procedures, as well as appropriate fringe

benefit fund coverage, all Contractors shall require their core employees and any other persons employed other than through the referral process, to register with the appropriate Union hiring hall, if any, prior to their first day of employment at a project site.

(b) The core work force is comprised of those employees whose names appeared on the Contractor's active payroll for sixty (60) of the one hundred (100) working days immediately before award of Project Work to the Contractor; who possess any license required by state or federal law for the Project Work to be performed; who have the ability to safely perform the basic functions of the applicable trade; and who have been residing within the zip codes within the geographic area serviced by the District for the one hundred (100) working days immediately prior to the award of Project Work to the Contractor.

(c) Prior to each Contractor performing any work on the Project, each Contractor shall provide a list of his core employees to the Project Labor Coordinator and the Council. Failure to do so will prohibit the Contractor from using any core employees. Upon request by any Party to this Agreement, the Contractor hiring any core employee shall provide satisfactory proof (i.e., payroll records, quarterly tax records, driver's license, voter registration, postal address and such other documentation) evidencing the core employee's qualification as a core employee to the Project Labor Coordinator and the Council.

(d) The provisions of this Section 3.8 shall only apply to employees who are not working under the terms of a Schedule A Agreement at the time of their transfer to work covered under this Agreement and is not intended to limit the transfer provisions of the Schedule A Agreements of any of the Unions signatory hereto.

**Section 3.9 Time for Referral:** If any Union's registration and referral system does not fulfill the requirements for specific classifications requested by any Contractor within forty-eight (48) hours (excluding Saturdays, Sundays and holidays), that Contractor may use employment sources other than the Union registration and referral services, and may employ applicants meeting such standards from any other available source. The Contractors shall inform the Union of any applicants hired from other sources within forty-eight (48) hours of such applicant being hired, and such applicants shall register with the appropriate hiring hall, if any.

**Section 3.10 Lack of Referral Procedure:** If a signatory local Union does not have a job referral system as set forth in Section 3.3 above, the Contractors shall give the Union equal opportunity to refer applicants. The Contractors shall notify the Union of employees so hired, as set forth in Section 3.5.

**Section 3.11 Union Membership:** No employee covered by this Agreement shall be required to join any Union as a condition of being employed, or remaining employed, for the completion of Project Work; provided, however, that any employee who is a member of the referring Union at the time of referral shall maintain that membership in good standing while employed under this Agreement. All employees shall, however, be required to comply with the Union security provisions of the applicable Schedule A for the period during which they are performing on-site Project Work to the extent, as permitted by law, of rendering payment of the applicable monthly and working dues only, as uniformly required of all craft employees while working on the Project and represented by the applicable signatory Union.



Section 3.12 Individual Seniority: Except as provided in Section 4.3, individual seniority shall not be recognized or applied to employees working on the Project; provided, however, that group and/or classification seniority in a Union's Schedule A as of the effective date of this Agreement shall be recognized for purposes of layoffs.

Section 3.13 Foremen: The selection and number of craft foreman and/or general foreman shall be the responsibility of the Contractor. All foremen shall take orders exclusively from the designated Contractor representatives. Craft foreman shall be designated as working foreman at the request of the Contractors.

#### ARTICLE 4 UNION ACCESS AND STEWARDS

Section 4.1 Access to Project Sites: Authorized representatives of the Union shall have access to Project Work, provided that they do not interfere with the work of employees and further provided that such representatives fully comply with posted visitor, security and safety rules.

Section 4.2 Stewards:

(a) Each signatory local Union shall have the right to dispatch a working journey person as a steward for each shift, and shall notify the Contractor in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions. There will be no non-working stewards. Stewards will receive the regular rate of pay for their respective crafts.

(b) In addition to his/her work as an employee, the steward should have the right to receive, but not to solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward should be concerned only with the employees of the steward's Contractor and, if applicable, subcontractor(s), and not with the employees of any other Contractor. A Contractor will not discriminate against the steward in the proper performance of his/her Union duties.

(c) When a Contractor has multiple, non-contiguous work locations at one site, the Contractor may request and the Union shall appoint such additional working stewards as the Contractor requests to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the Contractor.

(d) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

Section 4.3 Steward Layoff/Discharge: The relevant Contractor agrees to notify the appropriate Union twenty-four (24) hours before the layoff of a steward, except in the case of disciplinary discharge for just cause. If the steward is protected against such layoff by the provisions of the applicable Schedule A, such provisions shall be recognized when the steward possesses the necessary qualifications to perform the remaining work. In any case in which the

steward is discharged or disciplined for just cause, the appropriate Union will be notified immediately by the Contractor, and such discharge or discipline shall not become final (subject to any later filed grievance) until twenty-four (24) hours after such notice have been given.

Section 4.4 Employees on Non-Project Work: On work where the personnel of the District may be working in close proximity to the construction activities covered by this Agreement, the Union agrees that the Union representatives, stewards, and individual workers will not interfere with the District personnel, or with personnel employed by the any other employer not a Party to this Agreement.

## ARTICLE 5 WAGES AND BENEFITS

Section 5.1 Wages: All employees covered by this Agreement shall be classified in accordance with work performed and paid by the Contractors the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to applicable law. If a prevailing rate increases under law, the Contractor shall pay that rate as of its effective date under the law. This Agreement does not relieve Contractors from any independent contractual or other obligation they may have to pay wages in excess of the prevailing wage rate as required.

Section 5.2 Benefits:

(a) Contractors shall pay contributions to the established employee benefit funds in the amounts designated in the appropriate Schedule A and make all employee-authorized deductions in the amounts designated in the appropriate Schedule A, however, such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. Notwithstanding Section 2.8(a), Contractors directly signatory to one or more of the Schedule A Agreements are required to make all contributions set forth in those Schedule A Agreements without reference to the foregoing. Bona fide jointly-trusted benefit plans or authorized employee deduction programs established or negotiated under the applicable Schedule A or by the Parties to this Agreement during the life of this Agreement may be added.

(b) The Contractor adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreement(s) specifying the detailed basis on which payments are to be made into, and benefits paid out of, such trust funds for its employees. The Contractor authorizes the Parties to such trust funds to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Contractor.

(c) Each Contractor and subcontractor is required to certify to the Project Labor Coordinator that it has paid all benefit contributions due and owing to the appropriate Trust(s) prior to the receipt of its final payment and/or retention. Further, upon timely notification by a Union to the Project Labor Coordinator, the Project Labor Coordinator shall work with any prime Contractor or subcontractor who is delinquent in payments to assure that proper benefit contributions are made, to the extent of requesting the District or the prime Contractor to withhold payments otherwise due such Contractor, until such contributions have been made or otherwise guaranteed.

Section 5.3 Wage Premiums: Wage premiums, including but not limited to pay based on height of work, hazard pay, scaffold pay and special skills shall not be applicable to work under this Agreement, except to the extent provided for in any applicable prevailing wage determination.

Section 5.4 Compliance with Prevailing Wage Laws: The Parties agree that the Project Labor Coordinator shall monitor the compliance by all Contractors and subcontractors with all applicable federal and state prevailing wage laws and regulations, and that such monitoring shall include Contractors engaged in what would otherwise be Project Work but for the exceptions to Agreement coverage in Article 2, Section 2.2. All complaints regarding possible prevailing wage violations shall be referred to the Project Labor Coordinator for processing, investigation and resolution, and if not resolved within thirty calendar days, may be referred by any party to the state labor commissioner.

## ARTICLE 6 HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAYS

Section 6.1 Hours of Work: Eight (8) hours per day between the hours of 6:00 a.m. and 5:30 p.m., plus one-half (½) hour unpaid lunch approximately mid-way through the shift, shall constitute the standard work day. Forty (40) hours per week shall constitute a regular week's work. The work week will start on Sunday and conclude on Saturday. The foregoing provisions of this Article are applicable unless otherwise provided in the applicable prevailing wage determination, or unless changes are permitted by law and such are agreed upon by the Parties. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week, or a Monday through Friday standard work schedule.

Section 6.2 Place of Work: Employees shall be at their place of work (as designated by the Contractor), at the starting time and shall remain at their place of work, performing their assigned functions, until quitting time. The place of work is defined as the gang or tool box or equipment at the employee's assigned work location or the place where the foreman gives instructions. The Parties reaffirm their policy of a fair day's work for a fair day's wage. There shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the Contractor.

Section 6.3 Overtime: Overtime shall be paid in accordance with the requirements of the applicable prevailing wage determination. There shall be no restriction on the Contractor's scheduling of overtime or the nondiscriminatory designation of employees who will work overtime. There shall be no pyramiding of overtime (payment of more than one form of overtime compensation for the same hour) under any circumstances.

Section 6.4 Shifts and Alternate Work Schedules:

(a) Alternate starting and quitting time and/or shift work may be performed at the option of the Contractor upon three (3) days' prior notice to the affected Union(s), unless a shorter notice period is provided for in the applicable Schedule A. If two shifts are worked, each shall consist of eight (8) hours of continuous work exclusive of a one-half (½) hour non-paid lunch period, for eight (8) hours pay. The last shift shall start on or before 6:00 p.m. The first shift starting at or after 6:00 a.m. is designated as the first shift, with the second shift following.

(b) Contractors, the Council and the Union recognize the economic impact upon the District and District residents of the Project being undertaken by the District and agree that all Parties to this Agreement desire and intend Project Work to be undertaken in a cost efficient and effective manner to the highest standard of quality and craftsmanship. Recognizing the economic conditions, the Parties agree that, except to the extent permitted by law, employees performing Project Work shall not be entitled to any differentials or additional pay based upon the shift or work schedule of the employees. Instead, all employees working on Project Work shall be paid at the same base rate regardless of shift or work schedule worked.

(c) Because of operational necessities, the second shift may, at the District's direction, be scheduled without the preceding shift having been worked. It is recognized that the District's operations and/or mitigation obligations may require restructuring of normal work schedules. Except in an emergency or when specified in the District's bid specification, the Contractor shall give affected Union(s) at least three (3) days' notice of such schedule changes.

Section 6.5 Holidays: Recognized holidays on this Project shall be those set forth and governed by the prevailing wage determination(s) applicable to this Project

Section 6.6 Show-up Pay:

(a) Except as otherwise required by State law, Employees reporting for work and for whom no work is provided, except when given prior notification not to report to work, shall receive two (2) hours pay at the regular straight time hourly rate. Employees who are directed to start work shall receive four (4) hours of pay at the regular straight time hourly rate. Employees who work beyond four (4) hours shall be paid for actual hours worked. Whenever reporting pay is provided for employees, they will be required to remain at the Project Site and available for work for such time as they receive pay, unless released earlier by the principal supervisor of the Contractor(s) or his/her designated representative. Each employee shall furnish his/her Contractor with his/her current address and telephone number, and shall promptly report any changes to the Contractor.

(b) An employee called out to work outside of his/her shift shall receive a minimum of two (2) hours pay at the appropriate rate. This does not apply to time worked as an extension of (before or after) the employee's normal shift.

(c) When an employee leaves the job or work location of his/her own volition, or is discharged for cause or is not working as a result of the Contractor's invocation of Article XII, Section 12.3, the employee shall only be paid for actual time worked.

Section 6.7 Meal Periods: The Contractor will schedule a meal period of no more than one-half hour duration at the work location at approximately mid-point of the schedule shift; provided, however, that the Contractor may, for efficiency of the operation, establish a schedule which coordinates the meal periods of two or more crafts. An employee may be required to work through his meal period because of an emergency or a threat to life or property, or for such other reasons as are in the applicable Schedule A, and if he is so required, he shall be compensated in the manner established in the applicable Schedule A.

Section 6.8 Make-up Days: To the extent permitted by the applicable general wage determination, when an employee has been prevented from working for reasons beyond the control of the employer, including, but not limited to inclement weather or other natural causes, during the regularly scheduled work week, a make-up day may be worked on a non-regularly scheduled work day for which an employee shall receive eight (8) hours pay at the straight time rate of pay or any premium rate required for such hours under the prevailing wage law.

## ARTICLE 7 WORK STOPPAGES AND LOCK-OUTS

Section 7.1 No Work Stoppages or Disruptive Activity: The Council and the Unions signatory hereto agree that neither they, and each of them, nor their respective officers or agents or representatives, shall incite or encourage, condone or participate in any strike, walk-out, slow-down, picketing, observing picket lines or other activity of any nature or kind whatsoever, for any cause or dispute whatsoever with respect to or any way related to Project Work, or which interferes with or otherwise disrupts, Project Work, or with respect to or related to the District or Contractors or subcontractors, including, but not limited to, economic strikes, unfair labor practice strikes, safety strikes, sympathy strikes and jurisdictional strikes whether or not the underlying dispute is arbitrable. Any such actions by the Council, or Unions, or their members, agents, representatives or the employees they represent shall constitute a violation of this Agreement. The Council and the Union shall take all steps necessary to obtain compliance with this Article and neither should be held liable for conduct for which it is not responsible.

Section 7.2 Employee Violations: The Contractor may discharge any employee violating Section 7.1 above and any such employee will not be eligible for rehire under this Agreement.

Section 7.3 Standing to Enforce: The District, the Project Labor Coordinator, or any Contractor affected by an alleged violation of Section 7.1 shall have standing and the right to enforce the obligations established therein.

Section 7.4 Expiration of Schedule A's: If the Schedule A Agreement, or any local, regional, and other applicable collective bargaining agreements expire during the term of the Project, the Union(s) agree that there shall be no work disruption of any kind as described in Section 7.1 above as a result of the expiration of any such agreement(s) having application on this Project and/or failure of the involved Parties to that agreement to reach a new contract. Terms and conditions of employment established and set at the time of bid shall remain established and set. Otherwise to the extent that such agreement does expire and the Parties to that agreement have failed to reach concurrence on a new contract, work will continue on the Project on one of the following two (2) options, both of which will be offered by the Unions involved to the Contractors affected:

(a) Each of the Unions with a contract expiring must offer to continue working on the Project under interim agreements that retain all the terms of the expiring contract, except that the Unions involved in such expiring contract may each propose wage rates and employer contribution rates to employee benefit funds under the prior contract different from what those wage rates and employer contributions rates were under the expiring contracts. The terms of the Union's interim agreement offered to Contractors will be no less favorable than the terms offered

by the Union to any other employer or group of employers covering the same type of construction work in Los Angeles County.

(b) Each of the Unions with a contract expiring must offer to continue working on the Project under all the terms of the expiring contract, including the wage rates and employer contribution rates to the employee benefit funds, if the Contractor affected by that expiring contract agrees to the following retroactive provisions: if a new Schedule A Agreement, local, regional or other applicable labor agreement for the industry having application at the Project is ratified and signed during the term of this Agreement and if such new labor agreement provides for retroactive wage increases, then each affected Contractor shall pay to its employees who performed work covered by this Agreement at the Project during the hiatus between the effective dates of such expired and new labor agreements, an amount equal to any such retroactive wage increase established by such new labor agreement, retroactive to whatever date is provided by the new labor agreement for such increase to go into effect, for each employee's hours worked on the Project during the retroactive period. All Parties agree that such affected Contractors shall be solely responsible for any retroactive payment to its employees.

(c) Some Contractors may elect to continue to work on the Project under the terms of the interim agreement option offered under paragraph (a) above and other Contractors may elect to continue to work on the Project under the retroactivity option offered under paragraph (b) above. To decide between the two options, Contractors will be given one week after the particular labor agreement has expired or one week after the Union has personally delivered to the Contractors in writing its specific offer of terms of the interim agreement pursuant to paragraph (a) above, whichever is the later date. If the Contractor fails to timely select one of the two options, the Contractor shall be deemed to have selected option (b).

**Section 7.5    No Lockouts:** Contractors shall not cause, incite, encourage, condone or participate in any lock-out of employees with respect to Project Work during the term of this Agreement. The term "lock-out" refers only to a Contractor's exclusion of employees in order to secure collective bargaining advantage, and does not refer to the discharge, termination or layoff of employees by the Contractor for any reason in the exercise of rights pursuant to any provision of this Agreement, or any other agreement, nor does "lock-out" include the District's decision to stop, suspend or discontinue any Project Work or any portion thereof for any reason.

**Section 7.6    Best Efforts to End Violations:**

(a) If a Contractor contends that there is any violation of this Article or Section 8.3, it shall notify, in writing, the Executive Secretary of the Council, the Senior Executive of the involved Union(s) and the Project Labor Coordinator. The Executive Secretary and the leadership of the involved Union(s) will immediately instruct, order and use their best efforts to cause the cessation of any violation of the relevant Article.

(b) If the Union contends that any Contractor has violated this Article, it will notify that the Contractor and the Project Labor Coordinator, setting forth the facts which the Union contends violate the Agreement, at least twenty-four (24) hours prior to invoking the procedures of Section 7.8. The Project Labor Coordinator shall promptly order the involved Contractor(s) to cease any violation of the Article.



Section 7.7 Withholding of services for failure to pay wages and fringe benefits:

Notwithstanding any provision of this Agreement to the contrary, it shall not be a violation of this Agreement for any Union to withhold the services of its members (but not the right to picket) from a particular Contractor who:

- (a) fails to timely pay its weekly payroll; or
- (b) fails to make timely payments to the Union's Joint Labor/Management Trust Funds in accordance with the provisions of the applicable Schedule A Agreements. Prior to withholding its members services for the Contractor's failure to make timely payments to the Union's Joint Labor/Management Trust Funds, the Union shall give at least ten (10) days (unless a lesser period of time is provided in the Union's Schedule A Agreement, but in no event less than forty-eight (48) hours) written notice of such failure to pay by registered or certified mail, return receipt requested, and by facsimile transmission to the involved Contractor and to the District. Union will meet within the ten (10) day period to attempt to resolve the dispute.
- (c) Upon the payment of the delinquent Contractor of all monies due and then owing for wages and/or fringe benefit contributions, the Union shall direct its members to return to work and the Contractor shall return all such members back to work.

Section 7.8 Expedited Enforcement Procedure: Any party, including the District, which the Parties agree is a Party to the Agreement for purposes of this Article and an intended beneficiary of this Article, or the Project Labor Coordinator, may institute the following procedures, in lieu of or in addition to any other action at law or equity, when a breach of Section 7.1 or 7.5, above, or Section 8.3 is alleged.

- (a) The Party invoking this procedure shall notify Louis Zigman, who has been selected by the negotiating Parties, and whom the Parties agree shall be the permanent arbitrator under this procedure. If the permanent arbitrator is unavailable at any time, the party invoking this procedure shall notify one of the alternates selected by the Parties, as set forth under section 10.2, Step 3 (a), in that order on an alternating basis. Expenses incurred in arbitration shall be borne equally by the Parties involved in the arbitration and the decision of the arbitrator shall be final and binding on the Parties, provided, however, that the arbitrator shall not have the authority to alter or amend or add to or delete from the provisions of this Agreement in any way. Notice to the arbitrator shall be by the most expeditious means available, with notices to the Parties alleged to be in violation, and to the Council if it is a Union alleged to be in violation. For purposes of this Article, written notice may be given by telegram, facsimile, hand delivery or overnight mail and will be deemed effective upon receipt.
- (b) Upon receipt of said notice, the arbitrator named above or his/her alternate shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not sooner than twenty-four (24) hours after notice has been dispatched to the Executive Secretary and the Senior Official(s) as required by Section 7.6, as above.
- (c) The arbitrator shall notify the Parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by all Parties. A

failure of any Party or Parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

(d) The sole issue at the hearing shall be whether or not a violation of Sections 7.1 or 7.5, above, or Section 8.3 has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or to award damages, (except for damages as set forth in 7.8 below) which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion. If any Party desires a written opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the Award. The arbitrator may order cessation of the violation of the Article and other appropriate relief, and such award shall be served on all Parties by hand or registered mail upon issuance.

(e) Such award shall be final and binding on all Parties and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to herein above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other Party. In any judicial proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 7.7(d) of this Article, all Parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any Party's right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the arbitrator's award shall be served on all Parties by hand or by delivery to their address as shown on this Agreement (for a Union), as shown on their business contract for work under this Agreement (for a Contractor) and to the representing Union (for an employee), by certified mail by the Party or Parties first alleging the violation.

(f) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure or which interfere with compliance hereto are hereby waived by the Parties to whom they accrue.

(g) The fees and expenses of the arbitrator shall be equally divided between the Party or Parties initiating this procedure and the respondent Party or Parties.

## ARTICLE 8 WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

Section 8.1 Assignment of Work: The assignment of Covered Work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

Section 8.2 The Plan: All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

(a) If a dispute arising under this Article involves the Southwest Regional Council of Carpenters or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the Trades Council within 14 days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

**Section 8.3 No Work Disruption Over Jurisdiction:** All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

**Section 8.4 Pre-Job Conferences:** As provided in Article 16, each Contractor will conduct a pre-job conference with the appropriate affected Union(s) prior to commencing work. The Council and the Project Labor Coordinator shall be advised in advance of all such conferences and may participate if they wish.

**Section 8.5 Resolution of Jurisdictional Disputes:** If any actual or threatened strike, sympathy strike, work stoppage, slow down, picketing, hand-billing or otherwise advising the public that a labor dispute exists, or interference with the progress of Project Work by reason of a jurisdictional dispute or disputes occurs, the Parties shall exhaust the expedited procedures set forth in the Plan, if such procedures are in the plan then currently in effect, or otherwise as in Article 7 above.

## ARTICLE 9 MANAGEMENT RIGHTS

**Section 9.1 Contractor and District Rights:** The Contractors and the District have the sole and exclusive right and authority to oversee and manage construction operations on Project Work without any limitations unless expressly limited by a specific provision of this Agreement. In addition to the following and other rights of the Contractors enumerated in this Agreement, the Contractors expressly reserve their management rights and all the rights conferred upon them by law. The Contractor's rights include, but are not limited to, the right to:

(a) Plan, direct and control operations of all work in the manner required by, and in compliance with, the contract document, including but not limited to, plans, specifications, and scope of work under contract;

(b) Hire, promote, transfer and layoff their own employees, respectively, as deemed appropriate to satisfy work and/or skill requirements;

(c) Promulgate and require all employees to observe reasonable job rules and security and safety regulations;

(d) Discharge, suspend or discipline their own employees for just cause;

(e) Utilize, in accordance with District approval, any work methods, procedures or techniques, and select, use and install any types or kinds of materials, apparatus or equipment,

regardless of source of manufacture or construction; assign and schedule work at their discretion; and

(f) Assign overtime, determine when it will be worked and the number and identity of employees engaged in such work, subject to such provisions in the applicable Schedule A(s) requiring such assignments be equalized or otherwise made in a nondiscriminatory manner.

**Section 9.2 Specific District Rights:** In addition to the following and other rights of the District enumerated in this Agreement, the District expressly reserves its management rights and all the rights conferred on it by law. The District's rights (and those of the Contract Administrator on its behalf) include but are not limited to the right to:

(a) Inspect any construction site or facility to ensure that the Contractor follows the applicable safety and other work requirements, and to insure compliance with contract documents, including but not limited to, plans, specifications, and scope of work under contract;

(b) Require Contractors to establish a different work week or shift schedule for particular employees as required to meet the operational needs of the Project Work at a particular location;

(c) At its sole option, terminate, delay and/or suspend any and all portions of the covered work at any time; prohibit some or all work on certain days or during certain hours of the day to accommodate the ongoing operations of the District's Facilities and/or to mitigate the effect of ongoing Project Work on businesses and residents in the neighborhood of the Project site; and/or require such other operational or schedule changes it deems necessary, in its sole judgment, to effectively maintain its primary mission and remain a good neighbor to those in the area of its facilities. (In order to permit the Contractors and Unions to make appropriate scheduling plans, the District will provide the Project Labor Coordinator, and the affected Contractor(s) and Union(s) with reasonable notice of any changes it requires pursuant to this section; provided, however, that if notice is not provided in time to advise employees not to report for work, show-up pay shall be due pursuant to the provision of Article 6, Section 6.6);

(d) Approve any work methods, procedures and techniques used by Contractors whether or not these methods, procedures or techniques are part of industry practices or customs; and

(e) Investigate and process complaints, through its Project Labor Coordinator, in the matter set forth in Articles 7 and 10.

**Section 9.3 Use of Materials:** There should be no limitations or restriction by Union upon a Contractor's choice of materials or design, nor, regardless of source or location, upon the full use and utilization, of equipment, machinery, packaging, precast, prefabricated, prefinished, or preassembled materials, tools or other labor saving devices, subject to the application of the State Public Contracts and Labor Codes as required by law in reference to offsite construction. Generally, the onsite installation or application of such items shall be performed by the craft having jurisdiction over such work. The District and its Project Labor Coordinator shall advise all Contractors of, and enforce as appropriate, the off-site application of the prevailing wage law as it affects Project Work.

#### Section 9.4 Special Equipment, Warranties and Guaranties:

(a) It is recognized that certain equipment of a highly technical and specialized nature may be installed at Project Work sites. The nature of the equipment, together with the requirements for manufacturer's warranties, may dictate that it be prefabricated pre-piped and/or pre-wired and that it be installed under the supervision and direction of the District's and/or manufacturer's personnel. The Unions agree to install such equipment without incident to insure compliance with the specifications for the equipment being installed and to insure compliance with contract documents, including but not limited to, plans, specifications, and scope of work under contract.

(b) The Parties recognize that the Contractor will initiate from time to time the use of new technology, equipment, machinery, tools, and other labor-savings devices and methods of performing Project Work. The Union agrees that they will not restrict the implementation of such devices or work methods. The Unions will accept and will not refuse to handle, install or work with any standardized and/or catalogue: parts, assemblies, accessories, prefabricated items, preassembled items, partially assembled items, or materials whatever their source of manufacture or construction.

(c) If any disagreement between the Contractor and the Unions concerning the methods of implementation or installation of any equipment, or device or item, or method of work, arises, or whether a particular part or pre-assembled item is a standardized or catalog part or item, the work will precede as directed by the Contractor and the Parties shall immediately consult over the matter. If the disagreement is not resolved, the affected Union(s) shall have the right to proceed through the procedures set forth in Article 10.

Section 9.5 No Less Favorable Treatment: The Parties expressly agree that Project Work will not receive less favorable treatment than that on any other project which the Unions, Contractors and employees work.

### ARTICLE 10 SETTLEMENT OF GRIEVANCES AND DISPUTES

#### Section 10.1 Cooperation and Harmony on Site:

(a) This Agreement is intended to establish and foster continued close cooperation between management and labor. The Council shall assign a representative to this Project for the purpose of assisting the local Unions, and working with the Project Labor Coordinator, together with the Contractors, to complete the construction of the Project economically, efficiently, continuously and without any interruption, delays or work stoppages.

(b) The Project Labor Coordinator, the Contractors, Unions, and employees collectively and individually, realize the importance to all Parties of maintaining continuous and uninterrupted performance Project Work, and agree to resolve disputes in accordance with the grievance provisions set forth in this Article or, as appropriate, those of Article 7 or 8.

(c) The Project Labor Coordinator shall oversee the processing of grievances under this Article and Articles 7 and 8, including the scheduling and arrangements of facilities for



meetings, selection of the arbitrator from the agreed-upon panel to hear the case, and any other administrative matters necessary to facilitate the timely resolution of any dispute; provided, however, it is the responsibility of the principal parties to any pending grievance to insure the time limits and deadlines are met.

**Section 10.2 Processing Grievances:** Any questions arising out of and during the term of this Agreement involving its interpretation and application, which includes applicable provisions of the Schedule A's, but not jurisdictional disputes or alleged violations of Section 7.1 and 7.4 and similar provisions, shall be considered a grievance and subject to resolution under the following procedures.

**Step 1. Employee Grievances:** When any employee subject to the provisions of this Agreement feels aggrieved by an alleged violation of this Agreement, the employee shall, through his local Union business representative or, job steward, within ten (10) working days after the occurrence of the violation, give notice to the work site representative of the involved Contractor stating the provision(s) alleged to have been violated. A business representative of the local Union or the job steward and the work site representative of the involved Contractor shall meet and endeavor to resolve the matter within ten (10) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within ten (10) working days thereafter, pursue Step 2 of this grievance procedure provided the grievance is reduced to writing, setting forth the relevant information, including a short description thereof, the date on which the alleged violation occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedential except as to the parties directly involved.

**Union or Contractor Grievances:** Should the Union(s) or any Contractor have a dispute with the other Party(ies) and, if after conferring within ten (10) working days after the disputing Party knew or should have known of the facts or occurrence giving rise to the dispute, a settlement is not reached within five (5) working days, the dispute shall be reduced to writing and processed to Step 2 in the same manner as outlined in 1(a) above for the adjustment of an employee complaint.

**Step 2.** The business manager of the involved local Union or his designee, together with the site representative of the involved Contractor, and the labor relations representative of the Project Labor Coordinator, shall meet within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. If the Parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days after the initial meeting at Step 2.

**Step 3.** (a) If the grievance shall have been submitted but not resolved under Step 2, either the Union or Contractor Party may request in writing to the Project Labor Coordinator (with copy (ies) to the other Party (ies)) within seven (7) calendar days after the initial Step 2 meeting, that the grievance be submitted to an arbitrator selected from the agreed upon list below, on a rotational basis in the order listed. Those arbitrators are: (1) Edna Francis; (2) Louis Zigman; (3) Fredric Horowitz; (4) Sara Adler; (5) William Rule; (6) Walt Daugherty; and (7) Michael Rappaport. The decision of the arbitrator shall be final and binding on all Parties and the fee and expenses of such arbitrations shall be borne equally by the involved Contractor(s) and the involved Union(s).

(b) Failure of the grieving Party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the Parties involved at the particular step where the extension is agreed upon. The arbitrator shall have the authority to make decisions only on issues presented and shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

(c) The fees and expenses incurred by the arbitrator, as well as those jointly utilized by the Parties (i.e., conference room, court reporter, etc.) in arbitration, shall be divided equally by the Parties to the arbitration, including Union(s) and Contractor(s) involved.

Section 10.3 Limit on Use of Procedures: The procedures contained in this Article shall not be applicable to any alleged violation of Articles 7 or 8, with a single exception that any employee discharged for violation of Section 7.2, or Section 8.3, may resort to the procedures of this Article to determine only if he/she was, in fact, engaged in that violation.

Section 10.4 Notice: The Project Labor Coordinator (and the District, in the case of any grievance regarding the Scope of this Agreement), shall be notified by the involved Contractor of all actions at Steps 2 and 3, and further, the Project Labor Coordinator shall, upon its own request, be permitted to participate fully as a party in all proceedings at such steps.

## ARTICLE 11 REGULATORY COMPLIANCE

Section 11.1 Compliance with All Laws: The Council and all Unions, Contractors, subcontractors and their employees shall comply with all applicable federal and state laws, ordinances and regulations including, but not limited to, those relating to safety and health, employment and applications for employment. All employees shall comply with the safety regulations established by the District, the Project Labor Coordinator or the Contractor. Employees must promptly report any injuries or accidents to a supervisor.

Section 11.2 Monitoring Compliance: The Parties agree that the District shall require, and that the Project Labor Coordinator and Council shall monitor, compliance by all Contractors and subcontractors with all federal and state laws regulation that, from time to time may apply to Project Work. It shall be the responsibility of both the Council and the Project Labor Coordinator (on behalf of the District) to investigate or monitor compliance with these various laws and regulations. The Council may recommend to the Project Labor Coordinator and/or the District procedures to encourage and enforce compliance with these laws and regulations.

Section 11.3 Prevailing Wage Compliance: The Council or Union shall refer all complaints regarding any potential prevailing wage violation to the Project Labor Coordinator, who on its own, or with the assistance of the District's staff, shall process, investigate and resolve such complaints, consistent with Article 5, Section 5.4. The Council or Union, as appropriate, shall be advised in a timely manner with regard to the facts and resolution, if any, of any complaint. It is understood that this Section does not restrict any individual rights as established under the State Labor Code, including the rights of an individual to file a complaint with the State Labor Commissioner.

Section 11.4 Violations of Law: Based upon a finding of violation by the District of a federal and state law, and upon notice to the Contractor that it or its subcontractors is in such violation, the District, in the absence of the Contractor or subcontractor remedying such violation, shall take such action as it is permitted by law or contract to encourage that Contractor to come into compliance, including, but not limited to, assessing fines and penalties and/or removing the offending Contractor from Project Work. Additionally, in accordance with the Agreement between the District and the Contractor, the District may cause the Contractor to remove from Project Work any subcontractor who is in violation of state or federal law.

## ARTICLE 12 SAFETY AND PROTECTION OF PERSON AND PROPERTY

### Section 12.1 Safety:

(a) It shall be the responsibility of each Contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the District or the Contractor. It is understood that employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor and the District.

(b) Employees shall be bound by the safety, security and visitor rules established by the Contractor and/or the District. These rules will be published and posted. An employee's failure to satisfy his/her obligations under this section will subject him/her to discipline, up to and including discharge.

(c) The Parties adopt the Los Angeles/Orange Counties Building and Construction Trades Council Approved Drug and Alcohol Testing Policy, a copy of which is attached hereto as Attachment B and which shall be the policy and procedure utilized under this Agreement.

Section 12.2 Suspension of Work for Safety: A Contractor may suspend all or a portion of the job to protect the life and safety of employees. In such cases, employees will be compensated only for the actual time worked; provided, however, that where the Contractor requests employees to remain at the site and be available for work, the employees will be compensated for stand-by time at their basic hourly rate of pay.

Section 12.3 Water and Sanitary Facilities: The Contractor shall provide adequate supplies of drinking water and sanitary facilities for all employees as required by state law or regulation.

## ARTICLE 13 TRAVEL AND SUBSISTENCE

Travel expenses, travel time, subsistence allowances, zone rates and parking reimbursements shall be paid in accordance with the applicable Schedule A Agreement unless superseded by the applicable prevailing wage determination.

## ARTICLE 14 APPRENTICES

Section 14.1 Importance of Training: The Parties recognize the need to maintain continuing support of the programs designed to develop adequate numbers of competent workers in the construction industry, the obligation to capitalize on the availability of the local work force in the area served by the District, and the opportunities to provide continuing work under the construction program. To these ends, the Parties will facilitate, encourage, and assist local residents to commence and progress in Labor/Management Apprenticeship and/or training Programs in the construction industry leading to participation in such apprenticeship programs. The District, the Project Labor Coordinator, other District consultants, and the Council, will work cooperatively to identify, or establish and maintain, effective programs and procedures for persons interested in entering the construction industry and which will help prepare them for the formal joint labor/management apprenticeship programs maintained by the signatory Unions.

### Section 14.2 Use of Apprentices:

(a) Apprentices used on Projects under this Agreement shall be registered in Joint Labor Management Apprenticeship Programs approved by the State of California. Apprentices may comprise up to thirty percent (30%) of each craft's work force at any time, unless the standards of the applicable joint apprenticeship committee confirmed by the Division of Apprenticeship Standards ("DAS"), establish a lower or higher maximum percentage. Where the standards permit a higher percentage, such percentage shall apply on Project Work. Where the applicable standards establish a lower percentage, the applicable Union will use its best efforts with the Joint Labor Management apprenticeship committee and, if necessary, the DAS to permit up to thirty percent (30%) apprentices on the Project.

(b) The Unions agree to cooperate with the Contractor in furnishing apprentices as requested up to the maximum percentage. The apprentice ratio for each craft shall be in compliance, at a minimum, with the applicable provisions of the Labor Code relating to utilization of apprentices. The District shall encourage such utilization, and, both as to apprentices and the overall supply of experienced workers, the Project Labor Coordinator will work with the Council to assure appropriate and maximum utilization of apprentices and the continuing availability of both apprentices and journey persons.

(c) The Parties agree that apprentices will not be dispatched to Contractors working under this Agreement unless there is a journeymen working on the project where the apprentice is to be employed who is qualified to assist and oversee the apprentice's progress through the program in which he is participating.

(d) All apprentices shall work under the direct supervision of a journeyman from the trade in which the apprentice is indentured. A journeyman shall be defined as set forth in the California Code of Regulations, Title 8 [apprenticeship] section 205, which defines a journeyman as a person who has either completed an accredited apprenticeship in his or her craft, or has completed the equivalent of an apprenticeship in length and content of work experience and all other requirements in the craft which has workers classified as journeyman in the apprenticeable occupation. Should a question arise as to a journeyman's qualification under this

subsection, the Contractor shall provide adequate proof evidencing the worker's qualification as a journeyman to the Council.

**Section 14.3 Joint Subcommittee on Training and Apprenticeship:** To carry out the intent and purposes of this Article, a subcommittee of the Labor Management Committee established pursuant to Article 17 may be established, jointly chaired by a designee of the District and a designee of the Council, to oversee the identification and/or effective development of procedures and programs leading to the full utilization of apprenticeship programs, and to work with representatives of each signatory craft's joint apprenticeship committee ("CJAC") and representatives of the District's technical schools to establish appropriate criteria for recognition by such CJAC's of the educational and work experience possessed by District students and graduates toward qualifying for entry or advanced level in the apprenticeship programs under the direction under such CJAC's. The Subcommittee will meet as necessary at the call of the joint chairs to promptly facilitate its purposes in an expeditious manner as soon as this Agreement becomes effective. In addition to the joint chairs, the membership of the committee will consist of at least three representatives of the signatory local Unions and three representatives of Contractors signatory to this Agreement and experienced in overseeing and participating in joint labor management apprenticeship programs (or organizations to which the Contractors belong).

## ARTICLE 15 WORKING CONDITIONS

**Section 15.1 Meal and Rest Periods:** There will be no non-working times established during working hours except as may be required by applicable state law or regulations. Meal periods and Rest periods shall be as provided for in Wage Order 16. Individual coffee containers will be permitted at the employees' work location; however, there will be no organized coffee breaks.

**Section 15.2 Work Rules:** The District, the Project Labor Coordinator, and/or relevant Contractor shall establish such reasonable work rules as they deem appropriate and not inconsistent with this Agreement. These rules will be posted at the work sites by the Contractor and may be amended thereafter as necessary. Failure to observe these rules and regulations by employees may be grounds for discipline up to and including discharge.

**Section 15.3 Emergency Use of Tools and Equipment:** There should be no restrictions on the emergency use of any tools by any qualified employee or supervisor, or on the use of any tools or equipment for the performance of work within the jurisdiction, provided the employee can safely use the tools and/or equipment involved and is compliance with applicable governmental rules and regulations.

**Section 15.4 Access Restrictions for Cars:** Recognizing the nature of the work being conducted on the site, employee access by a private automobile may be limited to certain roads and/or parking areas.

## ARTICLE 16 PRE-JOB CONFERENCES

(a) Each Primary Contractor which is awarded a Construction Contract by the District for Project Work shall conduct a pre-job conference with the appropriate affected

Union(s) prior to commencing work. All Contractors who have been awarded contracts by the Primary Contractor shall attend the Pre-Job conference. The Council and the Project Labor Coordinator shall be advised in advance of all such conferences and may participate if they wish. All work assignments should be disclosed by the Primary Contractor and all Contractors at a pre-job conference held in accordance with industry practice. Should there be any formal jurisdictional dispute raised under Article 8, the Project Labor Coordinator shall be promptly notified. Primary Contractor shall have available at the Pre-Job conference the plans and drawing for the work to be performed on the Project.

(b) If they have not already done so before the pre-job conference, each Contractor shall provide to the Unions at the pre-job conference, a list of their core employees which they intend on using on this Project.

## ARTICLE 17 LABOR/MANAGEMENT COOPERATION

Section 17.1 Joint Committee: The Parties to this Agreement may establish a six (6) person Joint Administrative Committee (JAC). This JAC shall be comprised of three (3) representatives selected by the District and three (3) representatives selected by the Council to monitor compliance with the terms and conditions of this Agreement. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement.

Section 17.2 Functions of Joint Committee: The Committee shall meet on a schedule to be determined by the Committee or at the call of the joint chairs, to discuss the administration of the Agreement, the progress of the Project, general labor management problems that may arise, and any other matters consistent with this Agreement. Substantive grievances or disputes arising under Articles 7, 8 or 10 shall not be reviewed or discussed by this Committee, but shall be processed pursuant to the provisions of the appropriate Article. The Project Labor Coordinator shall be responsible for the scheduling of the meetings, the preparation of the agenda topics for the meetings, with input from the Unions the Contractors and the District. Notice of the date, time and place of meetings, shall be given to the Committee members at least three (3) days prior to the meeting. The District should be notified of the meetings and invited to send a representative(s) to participate. The Project Labor Coordinator shall prepare quarterly reports on apprentice utilization and the training and employment of District residents, and a schedule of Project Work and estimated number of craft workers needed. The Committee or an appropriate subcommittee, may review such reports and make any recommendations for improvement, if necessary, including increasing the availability of skilled trades, and the employment of local residents or other individuals who should be assisted with appropriate training to qualify for apprenticeship programs. The Project Labor Coordinator shall be responsible for the scheduling of the meetings, the preparation of the agenda topics for the meetings, with input from the Unions, the Contractors, and the District. Notice of the date, time and place of meetings, shall be given to the Committee members at least three (3) days prior to the meeting. The District should be notified of the meetings and invited to send a representative(s) to participate.

Section 17.3 Subcommittees: The Committee may form subcommittees to consider and advise the full Committee with regard to safety and health issues affecting the Project and other similar



issues affecting the overall Project, including any workers compensation program initiated under this Agreement.

## ARTICLE 18 SAVINGS AND SEPARABILITY

Section 18.1 Savings Clause: It is not the intention of the District, the Project Labor Coordinator, Contractor or the Union parties to violate any laws governing the subject matter of this Agreement. The Parties hereto agree that in the event any provision of this Agreement is finally held or determined to be illegal or void as being in contravention of any applicable law or regulation, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Parties agree that if and when any provision(s) of this Agreement is finally held or determined to be illegal or void by a court of competent jurisdiction, the Parties will promptly enter into negotiations concerning the substantive effect of such decision for the purposes of achieving conformity with the requirements of any applicable laws and the intent of the Parties hereto. If the legality of this Agreement is challenged and any form of injunctive relief is granted by any court, suspending temporarily or permanently the implementation of this Agreement, then the Parties agree that all Project Work that would otherwise be covered by this Agreement should be continued to be bid and constructed without application of this Agreement so that there is no delay or interference with the ongoing planning, bidding and construction of any Project Work.

Section 18.2 Effect of Injunctions or Other Court Orders: The Parties recognize the right of the District to withdraw, at its absolute discretion, the utilization of the Agreement as part of any bid specification should a Court of competent jurisdiction issue any order, or any applicable statute which could result, temporarily or permanently in delay of the bidding, awarding and/or construction on the Project. Notwithstanding such an action by the District, or such court order or statutory provision, the Parties agree that the Agreement shall remain in full force and the fact on covered Project Work to the maximum extent legally possible.

## ARTICLE 19 WAIVER

A waiver of or a failure to assert any provisions of this Agreement by any or all of the Parties hereto shall not constitute a waiver of such provision for the future. Any such waiver shall not constitute a modification of the Agreement or change in the terms and conditions of the Agreement and shall not relieve, excuse or release any of the Parties from any of their rights, duties or obligations hereunder.

## ARTICLE 20 AMENDMENTS

The provisions of this Agreement can be renegotiated, supplemented, rescinded or otherwise altered only by mutual agreement in writing, hereafter signed by the negotiating Parties hereto.

ARTICLE 21  
DURATION OF THE AGREEMENT

Section 21.1 Duration:

(a) This Agreement shall be effective from the date signed by all Parties and shall remain in effect for a period of five (5) years. Any covered Project awarded during the term of this Agreement shall continue to be covered hereunder, until completion of the Project, notwithstanding the expiration date of this Agreement.

(b) This Agreement may be extended by mutual consent of the District and the signatory Unions for such further periods as the Parties shall agree to.

Section 21.2 Turnover and Final Acceptance of Completed Work:

(a) Construction of any phase, portion, section, or segment of Project Work shall be deemed complete when such phase, portion, section or segment has been turned over to the District by the Contractor and the District has accepted such phase, portion, section, or segment as being in compliance with contract documents, including but not limited to, plans, specifications, and scope of work under contract. As areas and systems of the Project are inspected and construction-tested and/or approved and accepted by the District or third parties with the approval of the District, the Agreement shall have no further force or effect on such items or areas, except when the Contractor is directed by the District to engage and repairs or modifications required by its contract(s) with the District.

(b) Notice of each final acceptance received by the Contractor will be provided to the Council with the description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch" list, and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of the District and Notice of Completion is issued by the District or its representative to the Contractor. At the request of the Union, complete information describing any "punch" list work, as well as any additional work required of a Contractor at the direction of the District pursuant to (a) above, involving otherwise turned-over and completed facilities which have been accepted by the District, will be available from the Project Labor Coordinator.

IN WITNESS whereof the Parties have caused this Continuity of Work Agreement to be executed as of the date and year above stated.

PALMDALE  
WATER DISTRICT

LOS ANGELES/ORANGE COUNTIES  
BUILDING & CONSTRUCTION  
TRADES COUNCIL

By: \_\_\_\_\_  
[Name]  
[Title]

By: \_\_\_\_\_  
Ron Miller  
Executive Secretary

[illegible]

## ATTACHMENT A – LETTER OF ASSENT

To be signed by all contractors awarded work covered by the Project Labor Agreement prior to commencing work.

[Contractor's Letterhead]  
Project Labor Coordinator  
Palmdale Water District  
1234 address  
City, state, zip code  
Attn: \_\_\_\_\_

Re: Project Labor Agreement - Letter of Assent

Dear Sir:

This is to confirm that [name of company] agrees to be party to and bound by the Palmdale Water District Project Labor Agreement effective \_\_\_\_\_, 201\_, as such Agreement may, from time to time, be amended by the negotiating parties or interpreted pursuant to its terms. Such obligation to be a party and bound by this Agreement shall extend to all work covered by the agreement undertaken by this Company on the project and this Company shall require all of its contractors and subcontractors of whatever tier to be similarly bound for all work within the scope of the Agreement by signing and furnishing to you an identical letter of assent prior to their commencement of work.

Sincerely.

[Name of Construction Company]

By: [\_\_\_\_\_] Name and Title of Authorized Executive

[Copies of this letter must be submitted to the Project Labor Coordinator and to the Council Consistent with Article 2, Section 2.5(b).]

## ATTACHMENT B

### **LOS ANGELES/ORANGE COUNTIES BUILDING AND CONSTRUCTION TRADES COUNCIL APPROVED DRUG AND ALCOHOL TESTING POLICY**

The Parties recognize the problems which drug and alcohol abuse have created in the construction industry and the need to develop drug and alcohol abuse prevention programs. Accordingly, the Parties agree that in order to enhance the safety of the work place and to maintain a drug and alcohol free work environment, individual Employers may require applicants or employees to undergo drug and alcohol testing.

1. It is understood that the use, possession, transfer or sale of illegal drugs, narcotics, or other unlawful substances, as well as being under the influence of alcohol and the possession or consuming alcohol is absolutely prohibited while employees are on the Employer's job premises or while working on any jobsite in connection with work performed under the Project Labor Agreement ("PLA").

2. No Employer may implement a drug testing program which does not conform in all respects to the provisions of this Policy.

3. No Employer may implement drug testing at any jobsite unless written notice is given to the Union setting forth the location of the jobsite, a description of the project under construction, and the name and telephone number of the Project Supervisor. Said notice shall be addressed to the office of each Union signing the PLA. Said notice shall be delivered in person or by registered mail before the implementation of drug testing. Failure to give such notice shall make any drug testing engaged in by the Employer a violation of the PLA, and the Employer may not implement any form of drug testing at such jobsite for the following six months.

4. An employer who elects to implement drug testing pursuant to this Agreement shall require all employees on the Project to be tested. With respect to individuals who become employed on the Project subsequent to the proper implementation of this drug testing program, such test shall be administered upon the commencement of employment on the project, whether by referral from a Union Dispatch Office, transfer from another project, or another method. Individuals who were employed on the project prior to the proper implementation of this drug testing program may only be subjected to testing for the reasons set forth in Paragraph 5(f) (1) through 5(f) (3) of this Policy. Refusal to undergo such testing shall be considered sufficient grounds to deny employment on the project.

5. The following procedure shall apply to all drug testing:

a. The Employer may request urine samples only. The applicant or employee shall not be observed when the urine specimen is given. An applicant or employee, at his or her sole option, shall, upon request, receive a blood test in lieu of a urine test. No employee of the Employer shall draw blood from a bargaining unit employee, touch or handle urine specimens, or in any way become involved in the chain of custody of urine or blood specimens. A Union Business Representative, subject to the approval of the individual applicant or employee, shall be

permitted to accompany the applicant or employee to the collection facility to observe the collection, bottling, and sealing of the specimen.

b. The testing shall be done by a laboratory approved by the National Institute on Drug Abuse (NIDA), which is chosen by the Employer and the Union.

c. An initial test shall be performed using the Enzyme Multiplied Immunoassay Technique (EMZT). In the event a question or positive result arises from the initial test, a confirmation test must be utilized before action can be taken against the applicant or employee. The confirmation test will be by Gas Chromatography Mass Spectrometry (GC/MS). Cutoff levels for both the initial test and confirmation test will be those established by the National Institute on Drug Abuse. Confirmed positive samples will be retained by the testing laboratory in secured long-term frozen storage for a minimum of one year. Handling and transportation of each sample must be documented through strict chain of custody procedures.

d. In the event of a confirmed positive test result the applicant or employee may request, within forty-eight (48) hours, a sample of his/her specimen from the testing laboratory for purposes of a second test to be performed at a second laboratory, designated by the Union and approved by NDA. The retest must be performed within ten (10) days of the request. Chain of custody for this sample shall be maintained by the Employer between the original testing laboratory and the Union's designated laboratory. Retesting shall be performed at the applicant's or employee's expense. In the event of conflicting test results the Employer may require a third test.

e. If, as a result of the above testing procedure, it is determined that an applicant or employee has tested positive, this shall be considered sufficient grounds to deny the applicant or employee his/her employment on the Project.

f. No individual who tests negative for drugs or alcohol pursuant to the above procedure and becomes employed on the Project shall again be subjected to drug testing with the following exceptions:

1. Employees who are involved in industrial accidents resulting in damage to plant, property or equipment or injury to him/herself or others may be tested pursuant to the procedures stated hereinabove.

2. The Employer may test employees following thirty (30) days advance written notice to the employee(s) to be tested and to the applicable Union. Notice to the applicable Union shall be as set forth in Paragraph 3 above and such testing shall be pursuant to the procedures stated hereinabove.

3. The Employer may test an employee where the Employer has reasonable cause to believe that the employee is impaired from performing his/her job. Reasonable cause shall be defined as exhibiting aberrant or unusual behavior, the type of which is a recognized and accepted symptom of impairment (i.e., slurred speech, unusual lack of muscular coordination, etc.). Such behavior must be actually observed by at least two persons, one of whom shall be a Supervisor who has been trained to recognize the symptoms of drug abuse or impairment and the other of whom shall be the job steward. If the job steward is



unavailable or there is no job steward on the project the other person shall be a member of the applicable Union's bargaining unit. Testing shall be pursuant to the procedures stated hereinabove. Employees who are tested pursuant to the exceptions set forth in this paragraph and who test positive will be removed from the Employer's payroll.

g. Applicants or employees who do not test positive shall be paid for all time lost while undergoing drug testing. Payment shall be at the applicable wage and benefit rates set forth in the applicable Union's Master Labor Agreement. Applicants who have been dispatched from the Union and who are not put to work pending the results of a test will be paid waiting time until such time as they are put to work. It is understood that an applicant must pass the test as a condition of employment. Applicants who are put to work pending the results of a test will be considered probationary employees.

6. The employers will be allowed to conduct periodic job site drug testing on the Project under the following conditions:

a. The entire jobsite must be tested, including any employee or subcontractor's employee who worked on that project three (3) working days before or after the date of the test;

b. Jobsite testing cannot commence sooner than thirty (30) days after start of the work on the Project;

c. Prior to start of periodic testing, a business representative will be allowed to conduct an educational period on company time to explain periodic jobsite testing program to affected employees;

d. Testing shall be conducted by a N.I.D.A. certified laboratory, pursuant to the provisions set forth in Paragraph 5 hereinabove.

e. Only two periodic tests may be performed in a twelve month period.

7. It is understood that the unsafe use of prescribed medication, or where the use of prescribed medication impairs the employee's ability to perform work, is a basis for the Employer to remove the employee from the jobsite.

8. Any grievance or dispute which may arise out of the application of this Agreement shall be subject to the grievance and arbitration procedures set forth in the PLA.

9. The establishment or operation of this Policy shall not curtail any right of any employee found in any law, rule or regulation. Should any part of this Agreement be found unlawful by a court of competent jurisdiction or a public agency having jurisdiction over the parties, the remaining portions of the Agreement shall be unaffected and the parties shall enter negotiations to replace the affected provision.

10. Present employees, if tested positive, shall have the prerogative for rehabilitation program at the employee's expense. When such program has been successfully completed the

Employer shall not discriminate in any way against the employee. If work for which the employee is qualified exists he/she shall be reinstated.

11. The Employer agrees that results of urine and blood tests performed hereunder will be considered medical records held confidential to the extent permitted or required by law. Such records shall not be released to any persons or entities other than designated Employer representatives and the applicable Union. Such release to the applicable Union shall only be allowed upon the signing of a written release and the information contained therein shall not be used to discourage the employment of the individual applicant or employee on any subsequent occasion.

12. The Employer shall indemnify and hold the Union harmless against any and all claims, demands, suits, or liabilities that may arise out of the application of this Agreement and/or any program permitted hereunder.

13. Employees who seek voluntary assistance for substance abuse may not be disciplined for seeking such assistance. Requests from employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent. Employees enrolled in substance abuse programs shall be subject to all Employer rules, regulations and job performance standards with the understanding that an employee enrolled in such a program is receiving treatment for an illness.

14. This Memorandum, of Understanding shall constitute the only Agreement in effect between the parties concerning drug and alcohol abuse, prevention and testing. Any modifications thereto must be accomplished pursuant to collective bargaining negotiations between the parties.

## DRUG ABUSE PREVENTION AND DETECTION

### APPENDIX A

#### CUTOFF LEVELS

DRUG	SCREENING METHOD	SCREENING LEVEL **	CONFIRMATION METHOD	CONFIRMATION LEVEL
Alcohol	EMIT	.02%	CG/MS	.02%
Amphetamines	EMIT	1000 ng/ml*	CG/MS	500 ng/ml*
Barbiturates	EMIT	300 ng/ml	CG/MS	200 ng/ml
Benzodiazepines	EMIT	300 ng/ml	CG/MS	300 ng/ml
Cocaine	EMIT	300 ng/ml*	CG/MS	150 ng/ml*
Methadone	EMIT	300 ng/ml	CG/MS	100 ng/ml
Methaqualone	EMIT	300 ng/ml	CG/MS	300 ng/ml
Opiates	EMIT	300 ng/ml*	CG/MS	300 ng/ml*
PCP (Phencyclidine)	EMIT	25 ng/ml*	CG/MS	25 ng/ml*
THC (Marijuana)	EMIT	100 ng/ml*	CG/MS	15 ng/ml*
Propoxyphene	EMIT	300 ng/ml	CG/MS	100 ng/ml

\* NTDA specified threshold

\*\* A sample reported positive contains the Indicated drug at or above the cutoff level for that drug. A negative sample either contains no drug or contains a drug below the cutoff level.

EMIT - Enzyme Immunoassay

CC/MS - Gas Chromatography/Mass Spectrometry

SIDE LETTER OF AGREEMENT  
TESTING POLICY FOR DRUG ABUSE

It is hereby agreed between the parties hereto that an Employer who has otherwise properly implemented drug testing, as set forth in the Testing Policy for Drug Abuse, shall have the right to offer an applicant or employee a "quick" drug screening test. This "quick" screen test shall consist either of the "ICUP" urine screen or similar test or an oral screen test. The applicant or employee shall have the absolute right to select either of the two "quick" screen tests, or to reject both and request a full drug test.

An applicant or employee who selects one of the quick screen tests, and who passes the test, shall be put to work immediately. An applicant or employee who fails the "quick" screen test, or who rejects the quick screen tests, shall be tested pursuant to the procedures set forth in the Testing Policy for Drug Abuse. The sample used for the "quick" screen test shall be discarded immediately upon conclusion of the test. An applicant or employee shall not be deprived of any rights granted to them by the Testing Policy for Drug Abuse as a result of any occurrence related to the "quick" screen test.

## ATTACHMENT C

### PALMDALE WATER DISTRICT CRAFT REQUEST FORM

**TO THE CONTRACTOR:** Please complete and fax this form to the applicable union to request craft workers that fulfill the hiring requirements for this project. After faxing your request, please call the Local to verify receipt and substantiate their capacity to furnish workers as specified below. Please print your Fax Transmission Verification Reports and keep copies for your records.

The Palmdale Water District Project Labor Agreement establishes a goal that 30% of all of the labor and craft positions shall be from workers residing: first, in those first tier zip codes which overlap the District service area, as attached hereto, second, within the greater Antelope Valley area, as reflected on the attached list of zip codes, and third, Local Residents residing within certain surrounding area zip codes, as reflected on the attached list of zip codes, as well as the remainder of the County of Los Angeles. For Dispatch purposes, employees residing within any of these three (3) areas shall be referred to as Local Residents. In addition, a goal of 10% of all of the labor and craft positions shall be from disadvantaged workers and/or veterans residing within the tier 1 and tier 2 zip codes, as reflected on the attached list of zip codes.

**TO THE UNION:** Please complete the "Union Use Only" section on the next page and fax this form back to the requesting Contractor. Be sure to retain a copy of this form for your records.

#### CONTRACTOR USE ONLY

**To:** Union Local # \_\_\_\_\_ **Fax#** ( ) \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Cc:** Project Labor Coordinator  
**From:** Company: \_\_\_\_\_ Issued By: \_\_\_\_\_  
Contact Phone: ( ) \_\_\_\_\_ Contact Fax: ( ) \_\_\_\_\_

#### PLEASE PROVIDE ME WITH THE FOLLOWING UNION CRAFT WORKERS.

Craft Classification ( i.e., plumber, painter, etc.)	Journeyman or Apprentice	Local Resident, Disadvantaged Worker, and Veteran, or General Dispatch	Number of workers needed	Report Date	Report Time

**TOTAL WORKERS REQUESTED =** \_\_\_\_\_

Please have worker(s) report to the following work address indicated below:

Project Name: \_\_\_\_\_ Site: \_\_\_\_\_ Address: \_\_\_\_\_  
Report to: \_\_\_\_\_ On-site Tel: \_\_\_\_\_ On-site Fax: \_\_\_\_\_  
Comment or Special Instructions: \_\_\_\_\_

**UNION USE ONLY**

Date dispatch request received:
Dispatch received by:
Classification of worker requested:
Classification of worker dispatched:

**WORKER REFERRED**

Name:		
Date worker was dispatched:		
Is the worker referred a: (check all that apply)		
JOURNEYMAN	Yes _____	No _____
APPRENTICE	Yes _____	No _____
LOCAL RESIDENT	Yes _____	No _____
DISADVANTAGED WORKER OR VETERAN	Yes _____	No _____
GENERAL DISPATCH FROM OUT OF WORK LIST	Yes _____	No _____

[This form is not intended to replace a Local Union's Dispatch or Referral Form  
normally given to the employee when being dispatched to the jobsite.]



**DISTRICT SERVICE AREA ZIP CODES  
(Tier 1)**

93550, 93551 and 93552

**GREATER ANTELOPE VALLEY AREA ZIP CODES  
(Tier 2)**

91390	93534	93554
93501	93535	93560
93510	93536	93591
93523	93543	
93532	93553	

**TIER 3 AREA ZIP CODES**

93561	92394	92372
93505	92395	92329
93516	92340	92371
93524	92344	92397
92392	92345	
92393	92301	

As well as all of the remaining zip codes from Los Angeles County.

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

**DATE:** September 3, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Jennifer Emery, Human Resources Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION  
ON EMPLOYEE HANDBOOK UPDATE.***

---

**Recommendation:**

Staff recommends the Board approve the updated Employee Handbook. This item will be considered by the Personnel Committee at their September 4, 2014 meeting.

**Alternative Options:**

The alternative is to continue with our current handbook.

**Background:**

The Employee Handbook has been updated with recommendations from staff, supervisors, managers, attorneys, and the Personnel Committee.

**Strategic Plan Initiative:**

This work is part of Strategic Plan Elements: Build Capacity of Staff and Enhance Workforce Environment.

**Budget:**

No change to budget at this time.

**Supporting Documents:**

- The final Employee Handbook will be hand-delivered on September 8, 2014.

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** September 3, 2014 **September 10, 2014**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Jennifer Emery, Human Resources Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.7 – CONSIDERATION AND POSSIBLE ACTION  
ON ADDITION OF JPIA ACCOUNT BASED HEALTH PLAN TO THE  
DISTRICT’S EXISTING HEALTH PLAN OPTIONS.***

---

**Recommendation:**

Staff recommends the Board approve adding the JPIA Account Based Health Plan to our menu of benefit choices. This item will be reviewed by the Personnel Committee at their September 4, 2014 meeting.

**Alternative Options:**

The alternative is to remain with the benefit choices we currently have.

**Impact of Taking No Action:**

The District would continue to offer both PPO and HMO plans to employees.

**Background:**

The District has been focused on reducing benefit costs for the District while still providing quality health coverage to our employees. The District currently pays up to \$1600/mo per employee for health/dental/vision coverage. This would not change, however, by offering an account based health plan, the District would encourage the employees to be good consumers for their health care needs. The industry trend in health coverage is toward consumer driven plans that encourage employees to compare pricing and to get the most value for their health care thereby reducing health care costs in the long run.

**Strategic Plan Element:**

This work is part of Strategic Element: Increased Efficiency.

**Budget:**

The District will not be changing the benefit allocation per employee but it is possible that employees will change their benefit choices thereby changing the monthly expenditure of the District.

**Supporting Documents:**

- Account Based Health Plan Comparison Spreadsheet

**Current Classic Plan****Individual**

695.68 Premium	695.68 Premium
26.93 Delta Care	34.33 Delta Dental
17.41 VSP	17.41 VSP
740.02 Total	747.42 Total
740.02 District Paid	747.42 District Paid

Employee is responsible for all copays and coinsurance up to \$1000.00 for medical and an additional \$5,600 in prescriptions

**Employee +1**

1415.76 Premium	1415.76 Premium
43.1 Delta Care	67.73 Delta Dental
17.41 VSP	17.41 VSP
1476.27 Total	1500.9 Total
1476.27 District Paid	1500.9 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

**Family**

1902.68 Premium	1902.68 Premium
62.46 Delta Care	114.15 Delta Dental
17.41 VSP	17.41 VSP
1982.55 Total	2034.24 Total
1600 District Paid	1600 District Paid
382.55 Employee Paid	434.24 Employee Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

**Current Advantage Plan****Individual**

585.95 Premium	585.95 Premium
26.93 Delta Care	34.33 Delta Dental
17.41 VSP	17.41 VSP
630.29 Total	637.69 Total
630.29 District Paid	637.69 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$3,600 in prescriptions

**Account Based****Individual**

572.23 Premium
26.93 Delta Care
17.41 VSP
208.34 Maximum out of pocket funding
824.91 Total
824.91 District Paid
84.89

Employee does not have any out of pocket medical expenses

**Account Based****Individual**

572.23 Premium
36.02 Delta Dental
17.41 VSP
208.34 Maximum out of pocket funding
834 Total
834 District Paid
86.58

**Employee +1**

1162.7 Premium
43.1 Delta Care
17.41 VSP
333.34 Maximum out of pocket funding
1556.55 Total
1556.55 District Paid
80.28

Employee does not have any out of pocket medical expenses

1162.7 Premium
71.18 Delta Dental
17.41 VSP
333.34 Maximum out of pocket funding
1584.63 Total
1584.63 District Paid
83.73

**Family**

1561.97 Premium
62.46 Delta Care
17.41 VSP
333.34 Maximum out of pocket funding
1975.18 Total
1600 District Paid
375.18 Employee Paid
-7.37

Employee does not have any out of pocket medical expenses

Employee share is put in a savings account (HSA) and any amounts not used for medical may be retained by the employ

1561.97 Premium
120.04 Delta Dental
17.41 VSP
333.34 Maximum out of pocket funding
2032.76 Total
1600 District Paid
432.76 Employee Paid
-1.48

**Account Based****Individual**

572.23 Premium
26.93 Delta Care
17.41 VSP
208.34 Maximum out of pocket funding
824.91 Total
824.91 District Paid
194.62

Employee does not have any out of pocket medical expenses

**Account Based****Individual**

572.23 Premium
36.02 Delta Dental
17.41 VSP
208.34 Maximum out of pocket funding
834 Total
834 District Paid
196.31

**Employee +1**

1190.82 Premium	1190.82 Premium
43.1 Delta Care	67.73 Delta Dental
17.41 VSP	17.41 VSP
1251.33 Total	1275.96 Total
1251.33 District Paid	1275.96 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

**Family**

1599.83 Premium	1599.83 Premium
62.46 Delta Care	114.15 Delta Dental
17.41 VSP	17.41 VSP
1679.7 Total	1731.39 Total
1600 District Paid	1600 District Paid
79.7 Employee Paid	131.39 Employee Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

**Current CalCare****Individual**

657.52 Premium	657.52 Premium
26.93 Delta Care	34.33 Delta Dental
17.41 VSP	17.41 VSP
701.86 Total	709.26 Total
701.86 District Paid	709.26 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$3,600 in prescriptions

**Employee +1**

1305.16 Premium	1305.16 Premium
43.1 Delta Care	67.73 Delta Dental
17.41 VSP	17.41 VSP
1365.67 Total	1390.3 Total
1365.67 District Paid	1390.3 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

**Employee +1**

1162.7 Premium	1162.7 Premium
43.1 Delta Care	71.18 Delta Dental
17.41 VSP	17.41 VSP
333.34 Maximum out of pocket funding	333.34 Maximum out of pocket funding
1556.55 Total	1584.63 Total
1556.55 District Paid	1584.63 District Paid
305.22	308.67

Employee does not have any out of pocket medical expenses

**Family**

1561.97 Premium	1561.97 Premium
62.46 Delta Care	120.04 Delta Dental
17.41 VSP	17.41 VSP
333.34 Maximum out of pocket funding	333.34 Maximum out of pocket funding
1975.18 Total	2032.76 Total
1600 District Paid	1600 District Paid
375.18 Employee Paid	432.76 Employee Paid
295.48	301.37

Employee does not have any out of pocket medical expenses

Employee share is put in a savings account (HSA) and any amounts not used for medical may be retained by the employ

**Account Based****Individual**

572.23 Premium
26.93 Delta Care
17.41 VSP
208.34 Maximum out of pocket funding
824.91 Total
824.91 District Paid
123.05

Employee does not have any out of pocket medical expenses

**Account Based****Individual**

572.23 Premium
36.02 Delta Dental
17.41 VSP
208.34 Maximum out of pocket funding
834 Total
834 District Paid
124.74

**Employee +1**

1162.7 Premium	1162.7 Premium
43.1 Delta Care	71.18 Delta Dental
17.41 VSP	17.41 VSP
333.34 Maximum out of pocket funding	333.34 Maximum out of pocket funding
1556.55 Total	1584.63 Total
1556.55 District Paid	1584.63 District Paid
190.88	194.33

Employee does not have any out of pocket medical expenses

<b>Family</b>	
1750.02 Premium	1750.02 Premium
62.46 Delta Care	114.15 Delta Dental
17.41 VSP	17.41 VSP
1829.89 Total	1881.58 Total
1600 District Paid	1600 District Paid
229.89 Employee Paid	281.58 Employee Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

<b>Current Kaiser</b>	
<b>Individual</b>	
515.29 Premium	515.29 Premium
26.93 Delta Care	34.33 Delta Dental
17.41 VSP	17.41 VSP
559.63 Total	567.03 Total
559.63 District Paid	567.03 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$3,600 in prescriptions

<b>Employee +1</b>	
1020.7 Premium	1020.7 Premium
43.1 Delta Care	67.73 Delta Dental
17.41 VSP	17.41 VSP
1081.21 Total	1105.84 Total
1081.21 District Paid	1105.84 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

<b>Family</b>	
1440.19 Premium	1440.19 Premium
62.46 Delta Care	114.15 Delta Dental
17.41 VSP	17.41 VSP
1520.06 Total	1571.75 Total
1520.06 District Paid	1577.64 District Paid

Employee is responsible for all copays and coinsurance up to \$3000.00 for medical and an additional \$10,200 in prescriptions

<b>Family</b>	
1561.97 Premium	1561.97 Premium
62.46 Delta Care	120.04 Delta Dental
17.41 VSP	17.41 VSP
333.34 Maximum out of pocket funding	333.34 Maximum out of pocket funding
1975.18 Total	2032.76 Total
1600 District Paid	1600 District Paid
375.18 Employee Paid	432.76 Employee Paid
145.29	151.18

Employee does not have any out of pocket medical expenses  
Employee share is put in a savings account (HSA) and any amounts not used for medical may be retained by the employ

<b>Account Based</b>	
<b>Individual</b>	
407.64 Premium	407.64 Premium
26.93 Delta Care	36.02 Delta Dental
17.41 VSP	17.41 VSP
208.34 Maximum out of pocket funding	208.34 Maximum out of pocket funding
660.32 Total	669.41 Total
660.32 District Paid	669.41 District Paid
100.69	102.38

Employee does not have any out of pocket medical expenses

<b>Employee +1</b>	
805.41 Premium	805.41 Premium
43.1 Delta Care	71.18 Delta Dental
17.41 VSP	17.41 VSP
333.34 Maximum out of pocket funding	333.34 Maximum out of pocket funding
1199.26 Total	1227.34 Total
1199.26 District Paid	1227.34 District Paid
118.05	121.5

Employee does not have any out of pocket medical expenses

<b>Family</b>	
1135.55 Premium	1135.55 Premium
62.46 Delta Care	120.04 Delta Dental
17.41 VSP	17.41 VSP
333.34 Maximum out of pocket funding	333.34 Maximum out of pocket funding
1548.76 Total	1606.34 Total
1548.76 District Paid	1600 District Paid
0	6.34 Employee Paid
	6.34

Employee does not have any out of pocket medical expenses  
Employee share is put in a savings account (HSA) and any amounts not used for medical may be retained by the employ

**CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION**  
**COMMISSIONS' (CALAFCO) ANNUAL CONFERENCE**  
**October 15 - 17, 2014**  
**Ontario**

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

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_ **OCTOBER 1, 2014**

MEALS:      ☐ YES      SPOUSE:      ☐ YES      SPOUSES' TOUR:      ☐ YES  
                 ☐ NO                              ☐ NO                              ☐ NO

**DEPARTMENTAL TRAVEL BUDGET:**

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

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

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

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

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

Please review these limitations.

**HOTEL ACCOMMODATIONS:**    ☐ YES    ☐ NO    REGISTRATION DEADLINE: \_\_\_\_\_

ARRIVAL DATE/TIME: \_\_\_\_\_ DEPARTURE DATE/TIME: \_\_\_\_\_

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

**AIRLINE RESERVATIONS:**      ☐ YES      ☐ NO

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

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

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





Local Agency Formation Commission  
for the County of Los Angeles

RECEIVED

AUG 20 2014

Commission

Jerry Gladbach  
Chair

Richard H. Close  
Donald L. Dear  
Margaret Finlay  
Tom LaBonge  
Gerard McCallum  
Gloria Molina  
David Spence  
Zev Yaroslavsky

Alternates

Lori Brogin  
Don Knabe  
Paul Krekorian  
Judith Mitchell  
Joseph Ruzicka

Staff

Paul A. Novak, AICP  
Executive Officer

June D. Savala  
Deputy  
Executive Officer

Amber De La Torre  
Doug Dorado  
Michael Henderson  
Alisha O'Brien  
Patricia Wood

80 South Lake Avenue  
Suite 870  
Pasadena, CA 91101  
Phone: 626-204-6500  
Fax: 626-204-6507

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

August 14, 2014

Mr. Dennis LaMoreaux, General Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Dear Mr. LaMoreaux:

I am writing to you regarding the California Association of Local Agency Formation Commissions' (CALAFCO) Annual Conference as well as a unique and informative morning seminar concerning Local Agency Formation Commissions (LAFCOs).

CALAFCO provides educational, networking and resource sharing opportunities to the commissioners and staff of California's 58 member LAFCOs. The **Annual Conference** brings together nearly 300 commissioners and executive staff from around the state. This year's conference will be held at the DoubleTree by Hilton Ontario Airport **Wednesday, October 15<sup>th</sup>, through Friday, October 17<sup>th</sup>.**


In previous years, the **seminar, "LAFCO 101: Understanding and Applying the Basics,"** was offered to Conference registrants exclusively. This year CALAFCO is opening up the seminar to the general public for the low rate of \$35 per person (for those individuals who are not attending the Annual Conference). This seminar is a unique opportunity for elected officials and public agency staff to learn more about LAFCO. The seminar will also be held at the DoubleTree by Hilton Ontario Airport on **Wednesday, October 15<sup>th</sup>, from 10:00 a.m. until noon.**

Enclosed are flyers for both the annual conference and the seminar, both of which include program details and registration information.

I hope that you will attend the Annual Conference or the LAFCO 101 seminar, or consider sending a representative from your agency.

Should you have any questions or concerns, please do not hesitate to contact Paul Novak, the Executive Officer of LA LAFCO and the Annual Conference Programs Committee Vice-Chair, via e-mail ([pnovak@lalafco.org](mailto:pnovak@lalafco.org)) or telephone (626/204-6500).

Sincerely,

  
Jerry Gladbach  
Chair



# LAFCO 101: Understanding and Applying the Basics



## ABOUT THIS COURSE

This informative presentation is intended to assist elected officials and staff members of counties, cities, and special districts who may be new to the Local Agency Formation Commission (LAFCO) process. Panelists will discuss the basics (why LAFCOs came about; legislative history; laws governing LAFCO jurisdiction and independence; Commissioner, staff and legal counsel roles and responsibilities; assessments, budgeting, and filing fees); the LAFCO review process (boundary changes, formation of new special districts, incorporation of new cities, the protest process and outcomes, and special rules for island annexations to cities); required Spheres of Influence and Municipal Service Reviews; and the latest requirements for Disadvantaged Unincorporated Communities.

## WHO SHOULD ATTEND

This course is ideal for new LAFCO Commissioners and staff, as well as other elected officials, public agency staff, and anyone else who submits applications to LAFCO, is considering annexing new territory, is contemplating providing new services, or may be considering reorganizing with other local agencies.

## EXPERIENCED AND KNOWLEDGEABLE INSTRUCTORS

- **The Honorable Janice Rutherford**; Chair of the County of San Bernardino Board of Supervisors (Supervisor, 2<sup>nd</sup> District), San Bernardino LAFCO Commissioner
- **Mr. Bob Braitman**, Executive Officer, San Benito LAFCO
- **Mr. Mike Ott**; Executive Officer, San Diego LAFCO
- **Ms. Holly Whatley**; Partner, Colantuono, Highsmith & Whatley, PC

## COURSE DETAILS

**WEDNESDAY, OCTOBER 15, 2014**

9:30 a.m. Check-In

10:00 a.m. – Noon (Program)

**DOUBLETREE BY HILTON  
ONTARIO AIRPORT**

222 No. Vineyard Avenue  
Ontario, California

## REGISTRATION

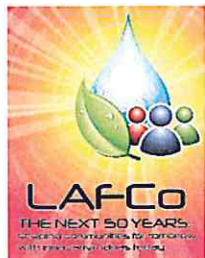
\$35/person

Registration must be received by  
Wednesday, October 1<sup>st</sup>, 2014.  
Registrations for this session are  
non-refundable and non-transferrable.

Please send registration and  
check payable to "CALAFCO" to:

CALAFCO  
1215 K Street, Suite 1650  
Sacramento, CA 95814  
916-442-6536

or Register and pay online at  
[www.calafco.org](http://www.calafco.org)



## REGISTRATION FORM – LAFCO 101

## FEES

Agency \_\_\_\_\_

\_\_\_\_\_ at \$35

Address \_\_\_\_\_

Phone (     ) \_\_\_\_\_

Total Enclosed \$ \_\_\_\_\_

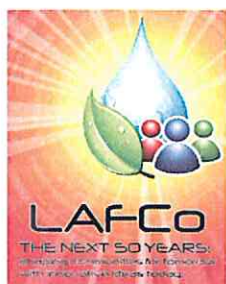
Attendees \_\_\_\_\_

Please include e-mail

NOTICE: Payment must accompany registration.



Announcing...



# The 2014 CALAFCO Annual Conference Program Hosted by San Bernardino LAFCo

**October 15-17, 2014**

At the DoubleTree by Hilton Hotel Ontario Airport, Ontario, CA

**Registration is open!**

## Content Rich Sessions Include:

### Wednesday General Sessions

#### **Walking With Dinosaurs**

With a collective century of LAFCo experience, our speakers will present informed perspectives on the evolution of laws impacting boundary regulation and LAFCo's changing roles since the early 1960s.

#### **Cyber Security: Is Your Public Agency Adequately Protected?**

Hear from a security expert on the creative ways hackers are infiltrating systems and the latest best practices to keep your agency secure.

#### **Groundwater Basins: Governance Today and in the Future**

One of the hottest issues in the State today, this diverse panel will discuss basin governance, State legislative actions, and present best practices.

#### **Beer & Wine Reception**

### Thursday Morning General & Breakout Sessions

#### **Regional Caucus Meetings & Elections**

#### **CALAFCO Annual Business Meeting**

#### **Regional Roundtables, Legal Counsel & Associate Member Roundtables**

#### **Luncheon Keynote Speaker, Randall W. Lewis**

### Thursday Afternoon Breakout Sessions

#### **Water Supply & Analysis: Policies and Practices**

This interactive session will explore how state law, unique local conditions, management practices, and LAFCo policies affect LAFCo decisions.

#### **Lead by Design. Create Your Future Using Next Generation Technology Today**

Feel like you just can't keep up with the fast-paced world of technology? This session puts Geographic Information Systems (GIS) in perspective and offers best practices and the latest trends in GIS.

#### **Shared Services: Improving Service Delivery by Increasing Collaboration**

More and more agencies are looking to shared services to gain efficiencies. This session highlights best practices and strategies of shared services.

#### **Do We Really Need to Protect Our Mineral Resources?**

Although California is rich with mineral resources, their extraction often elicits community opposition. Panelists will address the legitimate need for protection of mineral resources, the connection to preserving open space, and LAFCo's role in mineral resource regulation.

#### **Can LAFCos and Joint Power Authorities Get Along?**

This interactive session will explore the relationship between these entities and potential legislation on strengthening the connection.

#### **Performance Evaluations: Do They Help or Hinder Performance?**

Without a doubt, performance evaluations create anxiety for everyone involved. Hear from HR professionals about creative and inclusive ways to bring archaic employee review processes up to date.

#### **Dinner and Annual CALAFCO Awards Ceremony**

### Friday Morning General & Breakout Sessions

#### **CALAFCO Board of Directors Meeting**

#### **Connecting LAFCos and COGs For Mutual Benefit**

Speakers from northern and southern area COGs will address the relationship between them and how to strengthen that linkage for mutual benefit.

#### **How to Effectively Engage the Public in LAFCo Actions**

Tired of the same old public hearings as a way to hear from your community? Come hear about creative and inclusive methods of engaging the public for maximum benefit.

#### **SOLs - They Really Aren't That Scary**

Hear from LAFCo staff and Commissioners about how to use Spheres effectively and collaboratively with all stakeholders relative to present and future service needs and delivery.

#### **CALAFCO Legislative Update**

Join us as we recap the 2014 legislative year and highlight adopted legislation that impacts LAFCos. We will also provide a sneak peak at potential legislation CALAFCO is considering for 2015-16.

Note: Sessions are tentative and subject to change

### Special Highlights

#### **Mobile Workshop**

Visit the Frontier Project (LEED designed facility), followed by a tour and tasting at the Joseph Filippi Winery, concluding with lunch at the historic Magic Lamp Inn on Route 66.

**Wednesday from  
8:00 a.m. to 12:45 p.m.**

#### **LAFCo 101: Understanding & Applying the Basics**

This diverse panel of experts will discuss LAFCo's regulation of cities and special districts and answer your questions about administering LAFCo law.

**Wednesday from  
10:00 a.m. to Noon**

#### **Luncheon Keynote**

Featuring

**Randall W. Lewis,**

Exec. VP of Lewis Group of Companies

**Thursday Luncheon**

**8th Annual Beer & Wine Competition**

### Invaluable Networking Opportunities

- Regional Roundtables on trending LAFCo issues
- Counsel and Associate Member roundtables
- 8th CALAFCO Beer & Wine Competition and Reception
- Networking breakfasts
- Receptions



**DoubleTree by Hilton, Ontario, CA**

Make your reservations now at the DoubleTree by Hilton at the CALAFCO special rate of \$99. Find the link at [www.calafco.org](http://www.calafco.org).



**WATER EDUCATION FOUNDATION NORTHERN CALIFORNIA TOUR**

**2014 FIELD TRIP**

**October 22 - 24, 2014**

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

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_ OCTOBER 1, 2014

MEALS:    ☐ YES      SPOUSE:    ☐ YES      SPOUSES' TOUR:    ☐ YES  
             ☐ NO                                ☐ NO                                ☐ NO

**DEPARTMENTAL TRAVEL BUDGET:**

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

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

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

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

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

Please review these limitations.

**HOTEL ACCOMMODATIONS:**    ☐ YES    ☐ NO    REGISTRATION DEADLINE: \_\_\_\_\_

ARRIVAL DATE/TIME: \_\_\_\_\_ DEPARTURE DATE/TIME: \_\_\_\_\_

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

**AIRLINE RESERVATIONS:**    ☐ YES    ☐ NO

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

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

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



# October 22, 2014 - October 24, 2014

## WATER EDUCATION FOUNDATION

### NORTHERN CALIFORNIA TOUR 2014

#### FIELD TRIP

This 3-day, 2-night tour travels the length of the Sacramento Valley, a major source of water for California.

Stops include **Oroville and Shasta dams**, Red Bluff Fish Passage Improvement Project, **Feather River Fish Hatchery**, Clear Creek restoration site, **Glenn-Colusa Irrigation District's fish screen** and Delevan Wildlife Refuge. Other highlights have included a **houseboat cruise** on Shasta Reservoir. Participants learn about water supply management, farming, flood management, groundwater management and conjunctive use, and salmon restoration. The tour begins and ends at Sacramento International Airport.

The Sacramento Valley, the northern part of the Central Valley, spreads through 10 counties north of the Sacramento–San Joaquin River Delta (Delta). Sacramento is an important agricultural region, growing citrus, nuts and rice among many other crops.

Water flows from the Sierra Nevada Mountain Range to the region's two major rivers — the Sacramento and American — and west into the Delta. Other rivers include the Cosumnes, which is the largest free-flowing river in the Central Valley, the lower Feather, Bear and Yuba.

The Sacramento Valley attracts more than 2 million ducks and geese each winter to its seasonal marshes along the Pacific Flyway. Species include northern pintails, snow geese, tundra swans, sandhill cranes, mallards, grebes, peregrine falcons, heron, egrets, and hawks

Oroville Dam is the centerpiece and largest water storage facility of the State Water Project. Located about 70 miles north of Sacramento at the Feather River confluence, Oroville Dam creates a reservoir that can hold 3.5 million acre-feet of water.

Features such as a fish barrier dam and pool at Oroville Dam made the SWP one of the first major water projects built with environmental protections as a major consideration.

Besides storing water, the dam also protects downstream residents from the floodprone Feather River—the main feeder of the SWP— and provides major water recreation facilities such as boating, fishing and camping.

Shasta Dam creates the largest storage reservoir in the state, Shasta Lake. In years of normal precipitation, the Shasta system stores and distributes about 20 percent of the state's developed water — about 7 million acre-feet —through its massive system of reservoirs and canals.

Located 12 miles north of Redding, Shasta traps the cold waters of the Pit and McCloud rivers and the headwaters of the Sacramento River behind its 602-foot curved, concrete face.

Water is transported 450 miles from Lake Shasta in Northern California to the San Joaquin Valley. Along the way, the Central Valley Project has long-term agreements with more than 250 contractors in 29 of California's total 58 counties.

The Water Education Foundation's tours are **action-packed field trips** that offer participants a **firsthand look** at the water facilities, rivers and regions critical in the debate about the future of water resources. Issues of water supply, water quality, environmental restoration, flood management, groundwater and water conservation are addressed by a **wide-range of speakers** representing different viewpoints.

- Cancellations can be made by October 14, 2014.
- Substitutions can be made by October 16, 2014. Cancellations and substitutions must be in writing.
- Substitutions cannot be made mid-trip (no seat sharing).

**Be sure to choose the higher priced ticket if you need credits for California MCLE or DHS/Water Plant Operator.**

[Sell Tickets Online through Eventbrite](#)

### Ticket Information

TICKET TYPE	SALES END	PRICE	FEE	QUANTITY
Single occupancy, per person	Oct 22, 2014	\$745.00	\$0.00	<input type="text" value="0"/> ▼
Single occupancy, per person with MCLE / DHS credit	Oct 22, 2014	\$845.00	\$0.00	<input type="text" value="0"/> ▼
Double occupancy, per person	Oct 22, 2014	\$645.00	\$0.00	<input type="text" value="0"/> ▼
Double occupancy, per person with MCLE / DHS credit	Oct 22, 2014	\$745.00	\$0.00	<input type="text" value="0"/> ▼
Per person, 4+ people from same organization	Oct 22, 2014	\$575.00	\$0.00	<input type="text" value="0"/> ▼
Per person, 4+ people from same organization with MCLE / DHS credits	Oct 22, 2014	\$675.00	\$0.00	<input type="text" value="0"/> ▼

## TOUR SPONSORS

### Brown & Caldwell

Brown and Caldwell is the largest engineering consulting firm solely focused on the U.S. environmental sector. In a climate of tightening regulations, even tighter budgets and swift advances in technology to bridge the gap between compliance and funding, this focus has never been more important to our clients.

### California Department of Water Resources

The Department of Water Resources (DWR) is responsible for managing and protecting California's water. DWR works with other agencies to benefit the state's people, and to protect, restore and enhance the natural and human environments.

### CH2MHill

As a global leader in consulting, design, design-build, operations, and program management, CH2M HILL has the human and technical resources, the international footprint, and the depth of know-how and experience to help clients achieve success in any corner of the world.

### GEI

A trusted source of technical expertise to hundreds of clients nationwide who value high quality service and work products, and who seek a strong partner to achieve their desired project outcomes. Founded in 1970, we have completed more than 35,000 projects in all 50 states and 25 countries.

### HDR

While we are most well-known for delivering architecture and engineering services—for adding beauty and structure to communities through high performance buildings and smart infrastructure—we provide much more than that. We create an unshakable foundation for progress because our multidisciplinary teams also include the firepower of archeologists, economists, builders, analysts, artists and scientists.

### Kleinfelder

Extraordinary clients deserve the right solutions. Our insightful engineers, architects, and scientists deliver smart, sustainable outcomes to the world's most complex infrastructure challenges.



## **Netafim**

Netafim was founded in 1965 by farmers and Agronomists on the idea that micro-irrigation is a solution to one of the world's most urgent problems: lack of quality water for food production. That idea is still at the heart of every product, which are designed to promote water conservation.

## **O'Laughlin & Paris**

O'Laughlin & Paris LLP is a specialty law firm that focuses on water resource law, environmental compliance, public agency representation, and litigation.

## **West Yost Associates**

A leader in water, wastewater, and stormwater planning, design, and construction management. Our exclusive focus brings value, resources, and technical expertise to our clients and their projects and programs.

**MINUTES OF REGULAR MEETING OF THE WATER SUPPLY & RELIABILITY COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 30, 2014:**

*A regular meeting of the Water Supply & Reliability Committee of the Palmdale Water District was held Monday, June 30, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.*

**1) Roll Call.**

**Attendance:**

Water Supply & Reliability Cmte:  
Gloria Dizmang, Chair  
Vincent Dino, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager  
Matt Knudson, Assistant General Manager  
Jon Pernula, Water & Energy Resources Manager  
Danielle Henry, Administrative Assistant  
0 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held May 19, 2014.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Water Supply & Reliability Committee meeting held May 19, 2014, as written.

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

Water & Energy Resources Director Pernula reviewed the water supply projections and charts included in the agenda packets followed by discussion of carry-over water, available surface water, and water from potential water transfers.

**4.3) Status on the Operations of the State Water Project. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula stated that 100% of the District's carry-over has been met; that the transfer between the District and San Bernardino Valley Municipal Water District is ready to move forward; and that State Water Project power and delivery costs have increased as there is not enough water to generate electricity.

**4.4) Consideration and Possible Action on Resolution No. 14-11 Being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Voluntary Water Conservation Program in Response to Drought. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula stated that the District's Drought Management Task Force reviewed the water supply and potential shortages, determined a stronger conservation message is needed, and developed Resolution No. 14-11 to address this message, and after a further discussion of the points contained in Resolution No. 14-11 and of the District's drought publicity efforts, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation to approve Resolution No. 14-11 Being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Voluntary Water Conservation Program in Response to Drought and that this item be presented to the full Board for consideration at the July 9, 2014 Regular Board meeting.

**5) Project Updates.**

**5.1) Palmdale Recycled Water Authority. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that Carollo Engineers provided an overview of potential recycled water rates and project funding options to the Authority Board; that these projects do not make sense until the District begins to take recycled water for exchange or recharge opportunities; and that discussions will continue regarding reallocation of the recycled water.

**5.2) Littlerock Dam Sediment Removal Project. (Assistant General Manager Knudson)**

Assistant General Manager Knudson stated that a conference call is scheduled later today with the Forest Service regarding their comments on the public scoping process and that work on the EIR/EIS document, grading, and the grade control structure continues.

He then informed the Committee of the Littlerock Reservoir minimum pool requirements included in the Davis-Grunsky grant and stated that due to the drought, water will be taken from the Reservoir the first part of July to meet demand as provided for in the grant contract and that the Forest Service has been informed of this decision and will notify the Littlerock Lake Resort owner of this decision.

**5.3) Littlerock Creek Recharge and Recovery Project. (Assistant General Manager Knudson)**

Assistant General Manager Knudson stated that permission was received and surveys were conducted on LAWA property; that sections of the draft report are anticipated to be received in the next few weeks; and that the District will apply for Prop. 84 grant funding to help with the cost of this Project.

**5.4) City of Palmdale's Upper Amargosa Recharge Project. (Assistant General Manager Knudson)**

Assistant General Manager Knudson stated that the City of Palmdale has received a technical report regarding the location of the turnout to divert water from the aqueduct to the Upper Amargosa recharge basin.

**6) Information Items.**

**6.1) Water Purchase Opportunities. (Water & Energy Resources Director Pernula)**

Water & Energy Resources Director Pernula provided an overview of confirmed, probable, and potential water purchase opportunities and stated that a water transfer opportunity of 2,500 acre feet has been negotiated with the San Bernardino Valley Municipal Water District followed by discussion of potential El Nino conditions, a potential partnership with San Bernardino Valley Municipal Water District on the Littlerock Creek Recharge and Recovery Project, previous negotiations with Mojave Water Agency, and future negotiations with Castaic Lake Water Agency, and the Committee concurred with the opportunity with the San Bernardino Valley Municipal Water District.

**6.2) Other.**

General Manager LaMoreaux stated that ACWA's Drought Report was received today and has been forwarded and copied for all Directors followed by discussion of Rosamond Community Services District's water banking activities, the Palmdale Water District's water supply options, and ACWA's previous guidelines for better monitoring and managing of groundwater.

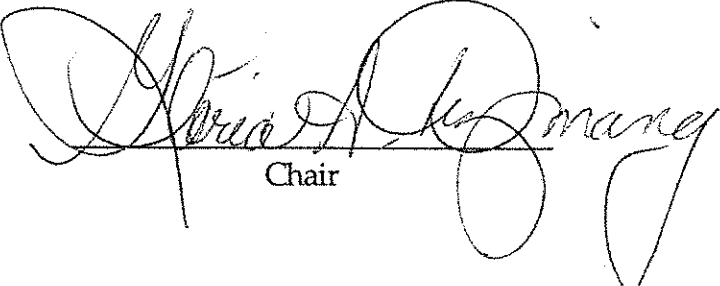
**7) Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was then stated that the next Water Supply & Reliability Committee meeting will be held August 25, 2014 at 2:00 p.m.

**8) Adjournment.**

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

  
Chair

# **MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, AUGUST 11, 2014:**

*A meeting of the Finance Committee of the Palmdale Water District was held Monday, August 11, 2014, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Dizmang called the meeting to order.*

## **1) Roll Call.**

### **Attendance:**

Finance Committee:  
Gloria Dizmang, Chair  
Vincent Dino, Committee  
Member

### **Others Present:**

Dennis LaMoreaux, General Manager  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Bob Egan, Financial Advisor  
Dennis Hoffmeyer, Senior Accountant  
Dawn Deans, Executive Assistant  
0 members of the public

## **2) Adoption of Agenda.**

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

## **3) Public Comments.**

There were no public comments.

## **4) Action Items:**

### **4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held July 1, 2014.**

It was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried to approve the minutes of the Finance Committee meeting held July 1, 2014, as written.

### **4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of June 30, 2014. (Financial Advisor Egan)**

Financial Advisor Egan reviewed the investment funds and cash flow reports as of June 30, 2014, including recent investments, the Butte payment, the overall decrease



in cash of approximately \$158,000, and the bond issue balance followed by discussion of additional capital expenditures, revenues, assessments, and projected assessments and stated that the District is right on target at the half-way point.

**4.3) Discussion and Overview of Financial Statements, Revenue and Expense and Departmental Budget Reports for June 30, 2014. (Finance Manager Williams)**

Finance Manager Williams reviewed the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending June 30, 2014, along with the graphic presentations for these reports, and stated that all departments, with the exceptions of Directors, Administration, Engineering, and Finance, operated at or below the targeted expenditure percentage of 50% and then reviewed reduced water sales, the value of long-term assets regarding property, plant, and equipment and how the 2013 bond issue will help put money back into the infrastructure of the District, and stressed the importance of the need to continue to invest in the District's infrastructure to keep long term assets up-to-date.

**4.4) Discussion and Overview of Committed Contracts Issued. (Assistant General Manager Knudson)**

Assistant General Manager Knudson reviewed the status of engineering projects included in the Committed Contracts and Payout Schedule, including those projects contractually committed and budgeted projects, and payments for projects funded from the Water Revenue Series 2013A Bonds followed by discussion of the District's EPA grant.

**4.5) Discussion and Review of the District's Bid Procurement and Change Order Policy – Rules and Regulations Appendix M. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that meetings continue with the Building Trades Association regarding the District's use of Project Labor Agreements and that staff anticipates a final Project Labor Agreement will be presented to the Committee for consideration at either a special Committee meeting or at the September meeting.

**4.6) Consideration and Possible Action on Policy for Rate Assistance Program. (Finance Manager Williams)**

Finance Manager Williams reviewed the proposed Rate Assistance Program, including those eligible for the program, key factors of the program, and future eligibility of other low income residents, and after a brief discussion of how the Program will be funded and promotion of the Program, it was moved by Committee Member Dino, seconded by Chair Dizmang, and unanimously carried that the Committee concurs with staff's recommendation that the Rate Assistance Program be presented to the full Board for consideration at the August 13, 2014 Board meeting.

**5) Information Items.**

**5.1) Status of 2014 Water Rate Study. (General Manager LaMoreaux)**

General Manager LaMoreaux stated that a plan for the August 14 and 21 rate workshops was included with the agenda packet for the August 13, 2014 regular Board meeting; that these workshops will be conducted as an informal process for customers to gather information about the rate process and about the District; that the District's public relations rate consultant has recommended the District not participate at the A.V. Swap Meet at this time due to the Swap Meet's current circumstances; and that miscellaneous customer comments regarding the rates and reductions in meter size have been received and addressed by staff.

**5.2) Other.**

General Manager LaMoreaux stated that he, Director Alvarado, and representatives from Passantino Andersen gave a presentation at last Friday's African American Chamber of Commerce luncheon and that this presentation was helpful to members of the audience followed by Chair Dizmang's recommendations for improvement to the presentation.

Chair Dizmang then recommended staff review a letter to the editor in today's Antelope Valley Press.

General Manager LaMoreaux then informed the Committee of a recent customer email regarding the Proposition 218 process and stated that he will respond to this customer and provide copies to the Board.

There were no additional information items.

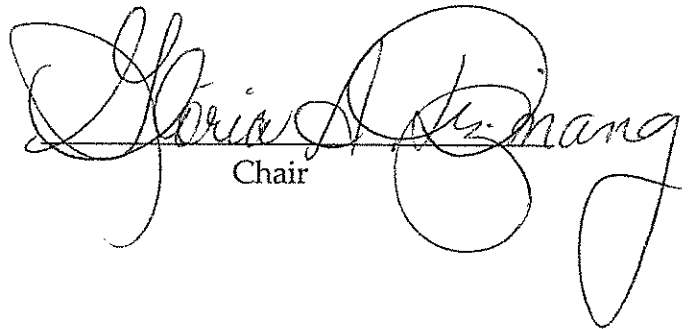
6) **Board Members' Requests for Future Agenda Items.**

There were no requests for future agenda items.

It was then stated that the next Finance Committee meeting will be held September 3, 2014 at 10:30 a.m.

7) **Adjournment.**

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

  
Chair

# Comparison of Water Districts Charges

Description of Charge	Palmdale Water District	Quartz Hill Water District	Littlerock Creek Irr. District	Valencia Water District	Newhall Cnty Water District	LA County Waterworks	Rancho California Water Dist	Walnut Valley Water District
Account Setup Charge	\$25	nc	nc	nc	\$20	-	\$5	\$30
Account Setup Charge/CC	\$35	-	-	-	-	-	-	-
After Hours Service Call	\$80	\$20	\$25	\$40	\$30	\$82	\$109	\$60
Construction Meter Install	\$250	\$60	\$200	\$45	-	\$184	\$75	\$250
Credit Check	\$10	\$20	-	-	-	-	-	-
Customer Request Turn On/Off	\$15	-	-	ncr	-	-	\$23	-
Door Tag Fee	\$20	\$25	nc	ncr	\$15	-	\$20	\$10
Grind Down Angle Stop	\$230	-	-	-	-	-	-	\$250
Lock Broken or Missing	\$15	\$250	\$25	\$15	\$40 / \$50	\$151	\$125	\$50
Pulled Meter Charge	\$60	\$64	\$50	-	acd	acd	\$125	\$75
Repair Angle Stop After Hours	\$600	See page 2 for Angle Stop Analysis						
Repair Angle Stop	\$440	See page 2 for Angle Stop Analysis						
Shut Off Charge	\$30	\$25	\$25	\$25	\$30	\$41	\$46	1st -\$30: 2nd \$40
Shut Off Processing Fee	\$20	-	-	-	-	-	-	-
NSF Fees (Rejected Payment)	\$25	\$20	nc	\$10	1st \$15 2nd \$40	\$33	\$25	\$30
Late Fees:	10% Bal Due	10% Bal Due	\$10 + 1.5% of Bal Due	ncr	10% Bal Due (\$10 Min)	\$10 fee	10% Bal Due (\$5 Min)	10% Bal Due
	1.5% -30 days after					1% -30 days after	1.5% - 30 days after	

nc = no charge

ncr = no charge part of rates

acd - actual cost to district

## Analysis of Angle Stop Charges

Water District	Explanation Charge or Not
Quartz Hill WD	Reserve the right to charge but very rarely do they charge. * FYI installed two valves (angle stop and a ball valve on customer side of service for them to operate).
Little Rock Creek Irr. District	Charge is based on if LCID can prove that the customer did the damages otherwise they do not charge. Most of the time they do not charge. However if a plumber is present operated and damaged the angle stop they do charge \$100. * FYI installed two valves (angle stop and a ball valve on customer side of service for them to operate).
Valencia WD	Case by case basis, if they can prove the customer damaged the angle stop they do charge. If they come across a damaged angle stop when reading a meter or leak at meter they do not charge but fix the angle stop as they do not know how long it was broken. * They do charge for damaged angle stop if water turned on illegally: service was off for non-payment or account was closed. Charge is based on time & materials. No specifics given as it varies
Newhall County WD	They do have a policy, however it depends on the circumstances. Basically if customer pleads their case and states that they were not aware that they should not touch, turn, disturb the angle stop, then they do not charge. Or if customer states they did not touch the angle stop they do not charge. * However, if a plumber is at the house and operates and damages the angle stop they do charge \$300
LA County Water Works	Only charge for damaged angle stop if water turned on illegally: Service was off for non-payment or account was closed. Charge \$568.07 Most of their services have two valves (angle stop and a valve on customer side of service for them to operate).
Rancho CA WD (Temecula)	Only charge for damaged angle stop if water turned on illegally: Service was off for non-payment or account was closed. Charge is \$125 if water found on illegally 1st time; Charge \$250 if water found on 2nd time; Any further incidents they pull the meter. * They typically do not charge a customer for the damaged angle stop as a customer is usually trying to turn the water service off due to flooding, leaks, and the like.
Walnut Valley WD	If Customer or plumber damage or break angle stop they will be charged. Charged based on time & material * FYI, most of District they have installed two valves (angle stop and a ball valve on customer side of service for them to operate).