

Since 1918



PALMDALE WATER DISTRICT

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www.palmdalewater.org

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Board of Directors

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Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

ALESHIRE & WYNDER
LLP
Attorneys

July 7, 2016

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, July 13, 2016

7:00 p.m.

NOTES: 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.

Additionally, a Spanish interpreter will be made available to assist the public in making comments during the meeting if requested at least 48 hours before the meeting. This was authorized by Board action on May 11, 2016 as a temporary measure while a long-term policy is developed.

Adicionalmente, un intérprete en español estará disponible para ayudar al público a hacer comentarios durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Esto fué autorizado por la mesa directiva en la junta del 11 de mayo del 2016 como una medida temporal mientras se desarrolla una poliza a largo plazo.

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 (Government Code Section 54957.5). 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. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

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:



Providing high quality water to our current and future customers at a reasonable cost.



- 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
 - 6.1) Approval of minutes of regular meeting held June 22, 2016.
 - 6.2) Payment of bills for July 13, 2016.
 - 6.3) Approval of three-year audit proposal from The Pun Group. (\$18,000.00-2016/\$18,500.00-2017/\$19,000.00-2018 – Budgeted – Finance Manager Williams/Finance Committee)
 - 6.4) Approval of revisions to job descriptions for Engineering Department, Water & Energy Resources Department, Public Affairs & Sustainability Department, Plant Operator III, and Purchasing Technician. (Human Resources Director Emery)
- 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 May, 2016. (Finance Manager Williams for Financial Advisor Egan)
 - 7.2) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for May, 2016. (Finance Manager Williams)
 - 7.3) Status report on committed contracts issued and water revenue bond projects. (Assistant General Manager Knudson)
 - 7.4) Consideration and possible action on Resolution No. 16-8 being a Resolution of the Board of Directors of the Palmdale Water District Recognizing Persistent Yet Less Severe Drought Conditions Throughout California Declaring Emergency Water Conservation Regulations and Affirming State Water Resources Control Board's Regulations Ensuring a Water Supply Assuming Three More Dry Years and Adoption of Regulations and Restrictions on the Delivery and Consumption of Water for Public Use. (Water & Energy Resources Director Pernula)
 - 7.5) Consideration and possible action on Resolution No. 16-9 being a Resolution (Certification) of the Board of Directors of the Palmdale Water District Certifying the Final Environmental Impact Report (State Clearinghouse #2015061054), Adopting Findings of Fact as Required by Public Resources Code Section 21081(A) and CEQA Guidelines Section 15091, and Approving a Mitigation Monitoring and Reporting Program as Required by Public Resources Code Section 21081.6 and CEQA Guidelines Section 15097, as Related to the Palmdale Regional Groundwater Recharge and Recovery Project. (Engineering/Grant Manager Riley)
 - 7.6) Consideration and possible action on Resolution No. 16-10 being a Resolution of the Board of Directors of the Palmdale Water District Providing for Reimbursement of Project Costs Relating to the Palmdale Regional Groundwater Recharge and Recovery Project, and Taking Certain Other Actions Relating Thereto. (Engineering/Grant Manager Riley)

- 7.7) Consideration and possible action on Resolution No. 16-11 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the Preparation and Filing of an Application for Financial Assistance From the State Water Resources Control Board Relating to the Palmdale Regional Groundwater Recharge and Recovery Project, and Taking Certain Other Actions Relating Thereto. (Engineering/Grant Manager Riley)
- 7.8) Consideration and possible action on Resolution No. 16-12 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the Pledging of Revenues From the Sales of Water for Repayment of the Loaned Funds for the Palmdale Regional Groundwater Recharge and Recovery Project, and Taking Certain Other Actions Relating Thereto. (Engineering/Grant Manager Riley)
- 7.9) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2016 Budget:
 - a) ACWA Region 8 Presents: Not If, But When: Preparing for the Next Disaster to be held August 4, 2016 in Los Angeles.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) Finance Committee.
 - 8.2) Report of General Manager.
 - 8.3) Report of General Counsel.
- 9) Public comments on closed session agenda matters.
- 10) Break prior to closed session.
- 11) Closed session under:
 - 11.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.
- 12) Public report of any action taken in closed session.
- 13) Board members' requests for future agenda items.
- 14) Adjournment.



DENNIS D. LaMOREAUX,
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: July 6, 2016 **July 13, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVAL OF THREE (3) YEAR AUDIT PROPOSAL
FROM THE PUN GROUP***

Recommendation:

Staff recommends approving three (3) year proposal from The PUN Group to perform the District's annual audit and lock in the annual costs for services for the 2016, 2017, and 2018 calendar year. This item will be considered by the Finance Committee at their July 12, 2016 meeting.

Alternative Options:

The alternative is to go through an RFP process to select a replacement auditing firm.

Impact of Taking No Action:

The impact of taking no action is to wait until year end and receive an engagement letter from an auditing firm.

Background:

The District has utilized the services of The PUN Group for the past 2 years to perform the District's annual audit. Prior to that, the District has had a long term working relationship with Paul Kaymark, CPA, working with another auditing firm, Charles Fedak & Company, and has become very familiar with the District's operations over the years.

The cost of the annual audit is very reasonable and is such due to Mr. Kaymark's familiarity with the District's internal controls, which allows for less on site staff time.

Strategic Plan Element:

This work is part of Initiative No. 4, Financial Health and Stability.

Budget:

This will be under Budget Item number 1-02-4150-000, accounting services, for 2017, 2018, and 2019.

Supporting Documents:

- Proposal from The Pun Group



PROPOSAL

PALMDALE WATER DISTRICT **PALMDALE, CALIFORNIA**

Proposal to Perform Professional Auditing Services

For the Fiscal Years Ending December 31, 2016, 2017 and 2018.

JUNE 06, 2016

Paul J. Kaymark, CPA

Audit Partner

200 East Sandpointe Avenue, Suite 600, Santa Ana, California 92707

Phone: (949) 777-8821 | **Fax:** (949) 777-8850 | **Email:** paul.kaymark@pungroup.com

California CPA License Number: PAR 7601

Federal Identification Number: 46-4016990



PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

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June 06, 2016

Palmdale Water District
Michael A. Williams | Finance Manager/CFO

Dear Mr. Michael A. Williams:

Please allow us to introduce our firm and share our qualifications and proposed audit plan for the Palmdale Water District (the "District") pursuant to your Request for Proposal for Professional Auditing Services for the Fiscal Years Ending December 31, 2016, 2017 and 2018. The Pun Group, LLP, formerly known as Pun & McGeady LLP (the "Firm"), due to consolidation, has the knowledge and experience necessary to be the District's next public accounting firm, and the work plan to ensure a smooth audit process.

The Pun Group, LLP currently audits approximately 40 water and sewer related special agencies in the State of California along with 20 various other types of special agencies therefore, enabling our Firm to continuously be immersed throughout the year in the financial and operational issues of special agencies like the District.

This letter is an acknowledgement of the Firm's understanding of the work to be performed. **We hereby offer our commitment to perform all of the required work, complete the audit, and issue the necessary auditor's report within the time periods outlined by the District.** We are secure in affirming our commitment because we have:

1. A lengthy legacy of serving California governmental agencies and municipalities;
2. Prodigious experience serving governmental and not-for-profit entities; and
3. An efficient, lower-cost approach to auditing that focuses on high-risk areas.

I will serve as your primary contact for contract negotiations. I am a partner of the Firm and have been authorized to legally bind the Firm. My contact information follows:

Name: Mr. Paul J. Kaymark, CPA
Position: Audit Partner
Address: 200 East Sandpointe Avenue, Suite 600
Santa Ana, California 92707
Telephone: (949) 777-8821
Email: paul.kaymark@pungroup.com

You may also contact the following partner, who is authorized to represent the Firm:

Name: Mr. Gary M. Caporicci, CPA, CGFM, CFF
Position: Partner
Address: 200 East Sandpointe Avenue, Suite 600
Santa Ana, California 92707
Telephone: (949) 777-8802
Email: gary.caporicci@pungroup.com

The Pun Group is the right choice for Palmdale Water District because we are focused on your industry.

- We have audited and consulted many California special agencies and districts.
- We have assisted many clients in earning the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- The depth of resources and specific government experience are substantial; we are committed to deploy these resources and experience to the District. Simply put, the District will become one of our most important clients, and receive the priority service you deserve.
- **We have assigned Gary Caporicci, our GASB Implementation Specialist, who is appointed to the State Retirement Advisory Committee by the State Controller, in assisting the District in the implementation of GASB's new Pension Standards.**

Our goal for this audit is to complete the process in accordance with regulations while minimizing disruption to the District's daily operations. The Firm will:

- Develop solid familiarity with the District's operations.
- Create a detailed audit plan during initial stages of the audit.
- Maintain open communication lines between the Engagement Team and the District's Management and Board.
- Assign duties to qualified staff members.

This method ensures that the audit process will be performed steadily, communicated clearly, and completed efficiently.

The Firm is an Equal Opportunity Employer and complies with all Federal and State hiring requirements.

This proposal meets the requirements of the District's Request for Proposal. This letter and the accompanying proposal represent a *firm and irrevocable offer valid for 90 days*.

If you have any questions about the proposal or the Firm, please contact us. We look forward to speaking with you.

Sincerely,

The Pun Group, LLP
Certified Public Accountants and Business Advisors

A handwritten signature in dark ink, reading "Paul J. Kaymark, CPA". The signature is fluid and cursive, with the initials "P.J.K." being prominent.

Paul J. Kaymark, CPA
Audit Partner

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION I – LICENSE TO PRACTICE IN CALIFORNIA

The Firm and all key professional staff are licensed by the State of California to practice as Certified Public Accountants, and meet the Continuing Professional Education requirements under U.S. GAO's *Government Auditing Standards* to perform the proposed audits.



SECTION II – INDEPENDENCE

The Pun Group, LLP (the "Firm") requires all employees to adhere to strict independence standards in relation to the Firm's clients. These independence standards exceed, in many instances, the standards promulgated by the American Institute of Certified Public Accountants (AICPA).

The Pun Group, LLP certifies that it is independent of Palmdale Water District (the "District"). The Firm meets independence requirements defined by the United States Government Accountability Office's (U.S. GAO's) *Government Auditing Standards*, and the American Institute of Certified Public Accountants (AICPA).

The Firm has had no professional relationships involving the District for the past five (5) years.

The Firm will give the Palmdale Water District written notice of any professional relationships entered into during the period of the agreement.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION III – FIRM QUALIFICATIONS AND EXPERIENCE

The Pun Group, LLP

The Pun Group, LLP, *formerly known as Pun & McGeedy, LLP*, Certified Public Accountants and Business Advisors, founded in 2012, is a limited liability partnership. The full-service accounting firm comprises forty (40) professionals on full-time basis who provide auditing, accounting, and advisory services. Of the forty (40) professionals, thirty (30) of them focus in the Government Assurance Practice. The Firm has offices in Orange County, San Diego, and Palm Desert, California, and Phoenix, Arizona.

The Firm has served hundreds of governmental agencies since 1989, under the umbrella of its predecessor firm, Caporicci & Larson, where all key personnel assigned provided outstanding services to governmental entities throughout California.

The combination of hands-on experience and practical knowledge of our audit professionals makes the Firm unique in the field. Our technical knowledge and thorough understanding of current regulations and issues—along with the Firm's commitment to hard work, integrity, and teamwork on every engagement—enable us to help our clients flourish.

Our Governmental Partners Group—which includes partners Paul J. Kaymark, Kenneth H. Pun, Gary M. Caporicci, Lisa B. Lombard, and Jack F. Georger—has provided auditing, accounting, and advisory services to numerous governmental entities throughout the United States. Our more than one hundred-fifty (150) years of combined experience in the government industry have made us a trusted business partner with our clients, and we have become well-respected as one of the most socially responsible accounting firms.

In addition to annual financial audits, team members undertake special studies in financial management, accounting, cost-accounting-system analysis, internal audit services, and internal control documentation and testing. By participating in industry associations and activities, we are always up to date on the latest industry changes and the impact they will have on your operations. We will keep you and our colleagues in the Firm, fully informed of these developments.

Our *Orange County* office, located at 200 East Sandpointe Avenue, Suite 600, Santa Ana, California 92707 will perform the requested services for the District. However, we may assign additional staff from our San Diego or Palm Desert, California offices to the engagement, at no additional cost to the District. No subcontractors will be used.

Our team is committed to bringing the full breadth and depth of our expertise to the audit of the District at an outstanding value to you.

While many accounting firms can perform an audit, not all can build a great working relationship with their clients. The Pun Group, LLP develops lasting, personal relationships with clients. Our hands-on partner involvement and low personnel turnover will make you appreciate our firm more every day we work together.

Staff Consistency

The Firm is committed to maintaining staff continuity throughout audit engagements. While we cannot guarantee that our staff members will stay with the Firm, we encourage loyalty by paying competitive wages, offering opportunities for promotion, using state-of-the-art equipment, and providing excellent working conditions. We also offer benefits including retirement plans, medical plans, profit-sharing programs, and continuing education. The Firm is an equal-opportunity employer and complies with all federal and state hiring requirements. The Firm also supports affirmative-action philosophies and works hard to provide opportunities for self-enhancement to members of disadvantaged groups.

We guarantee that the partners assigned to this audit will be involved throughout the entire engagement term, and that assigned staff members will return to the District in future years if they are still with the firm. One of our primary audit concerns is staff continuity, and our hands-on partner involvement ensures that qualified and experienced professionals will perform audits efficiently and effectively every year of the engagement.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Most Recent External Quality Control Review

The Firm participates in the AICPA Peer Review Program, which is designed to identify weaknesses in accounting-service policies, practices, and procedures.

In 2015, an independent reviewer assessed the Firm's quality-control policies, reviewed administrative records, interviewed professional personnel, and inspected the Firm's working papers and reports from a representative sample of accounting and auditing engagements, including governmental audits. The reviewer concluded that the Firm fully complies with the AICPA's stringent standards for quality control.

A quality-control reviewer considers, among other things, a firm's policies regarding hiring, training, supervision, delegation of responsibilities, and access to technical resources.

The reviewer determined that the Firm's accounting and auditing work and internal quality-control system meet the AICPA's guidelines for professional standards.

The Firm's participation in the Peer Review Program demonstrates our commitment to quality. We also affirm our dedication to excellent client service through our voluntary memberships in the AICPA—including the AICPA's Governmental Audit Quality Center—and CalCPA.



JOHN LEBAS, CPA
STEPHEN C. WILLIAMS, CPA
JOSEPH O. ROMERO, CPA

System Review Report

The Pun Group, LLP
Santa Ana, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of The Pun Group, LLP (the firm) in effect for the year ended December 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of The Pun Group, LLP in effect for the year ended December 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. The Pun Group, LLP has received a peer review rating of *pass*.

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Gyl Decauwer LLP
Ontario, California
October 13, 2015

*your
Success
is our
DESTINATION*

CPA AMERICA
INTERNATIONAL
Crouse Horwath International

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services



California Society of CPAs
1800 Gateway Dr., Ste. 200
San Mateo, CA 94404

February 4, 2016


Kenneth Hing-Kwong Pun
The Pun Group LLP
200 E Sandpointe Ave
Suite 600
Santa Ana, CA 92707

Dear Mr. Pun:

It is my pleasure to notify you that on January 27, 2016 the California Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is June 30, 2018. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,


Linda McCrone, CPA
Director, Peer Review Program

cc: John Lerias

Firm Number: 8192426 Review Number 372240



T: (650) 522-3094 | F: (650) 522-3080 | peerreview@calcpa.org

Federal or State Desk Review

No federal or state desk reviews or field reviews have been undertaken of any audits performed by the Firm or any of its partners, managers, or professionals during the past three (3) years.

Disciplinary Action

No disciplinary action has been taken by state regulatory bodies or professional organizations against the Firm or any of its partners, managers, or professionals during the past three (3) years.

The Firm has no conditions such as bankruptcy, pending litigations, planned office closures, mergers or any organizational conflict of interest that may affect the ability of the Firm to perform the required duties requested by the Palmdale Water District.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

At the Pun Group we work together with our clients to address a variety of challenges like Reporting and Compliance requirements, risk and internal controls, operational transformation and technology consulting. We understand our clients have broad and complex needs. This is the number one reason our solutions are developed specifically to address these unique needs. We have performed numerous financial and compliance audits of governmental municipalities and organizations.

Quality Control System

Our Firm meticulously monitors the quality and contents of our reports. The Pun Group LLP is 100% committed to providing only the highest grade of work possible for our clients and for those who rely on our audits. The Firm strives to exceed professional industry standards because of the continuing respect for our clients and our emphasis on creating long-lasting relationships. The Pun Group LLP works exclusively with those who share the same moral integrity and values.

Our quality-control system was crafted with excellence in mind. It not only meets AICPA standards, but also matches our own elevated standards, which includes the following professional-development activities.

Professional Development

Each Engagement Team member is up-to-date with continuing professional education requirements. The Firm encourages staff members to participate in the continuing education programs offered by the AICPA and the CalCPA Education Foundation in order to always keep our staff well versed in the changing field and any new regulations. These classes include, among others:

- Basic Concepts of Governmental Accounting, Financial Reporting and Auditing
- Government Auditing Standards
- GASB Basic Financial Statements for State and Local Governments
- Single Audits: Uniform Grant Guidance (formerly known as OMB Circular A-133)
- Governmental and Nonprofit Annual Update
- Governmental Accounting and Auditing: The Annual Update
- Auditing Standards: A Comprehensive Review

In addition, the Firm provides comprehensive in-house training for all levels of staff. The program includes seminars developed by the Firm, educational programs developed by the AICPA and CalCPA, and on-the-job training.

Every year, all professional and administrative staff members receive an annual overview and review of topics such as these:

- Principles of accounting and financial reporting for state and local governments
- Governmental fund types
- Newly issued U.S. generally accepted auditing standards and government auditing standards
- Internal control evaluation approaches, including COSO Internal Control Framework
- Updates on recent governmental accounting and reporting guidelines and pronouncements
- Single Audit requirements and approaches
- Risk based audit approaches
- Working paper techniques
- Current issues facing the governmental community

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

GASB Implementation Assistance

Gary M. Caporicci, the assigned *GASB Implementation Specialist*, and **appointed member to the State Retirement Advisory Committee by the State Controller** has tremendous expertise in assisting clients with the implementation of GASB pronouncements.

For more than 40 years, Mr. Caporicci has successfully provided professional auditing, accounting, financial reporting and management advisory/consulting services to a broad spectrum of governmental entities.

Mr. Caporicci will actively assist the District during the process of implementation and compliance related to new accounting standards.

Client Training Seminar

Every year, the Firm hosts a conference to update governmental clients on new technical accounting and financial issues. The day-long session—held in Clovis, San Diego, Cerritos, and Danville—qualifies for **eight hours of CPE** with the California Board of Accountancy.

Participants of last year's training seminar received a high-level examination of numerous technical issues, including the following:

- GASB 68 – *Accounting and Financial Reporting for Pensions*
- GASB 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date-* an amendment of GASB Statement 68
- GASB Updates
 - ✓ GASB 72 – *Fair Value Measurement and Application*
 - ✓ GASB 73 – *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*
 - ✓ GASB 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
 - ✓ GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- Uniform Grant Guidance
- Survey of Cities and Counties

Importantly, all of our clients are invited to attend the Pun Group, LLP client training seminar **FREE OF CHARGE.**

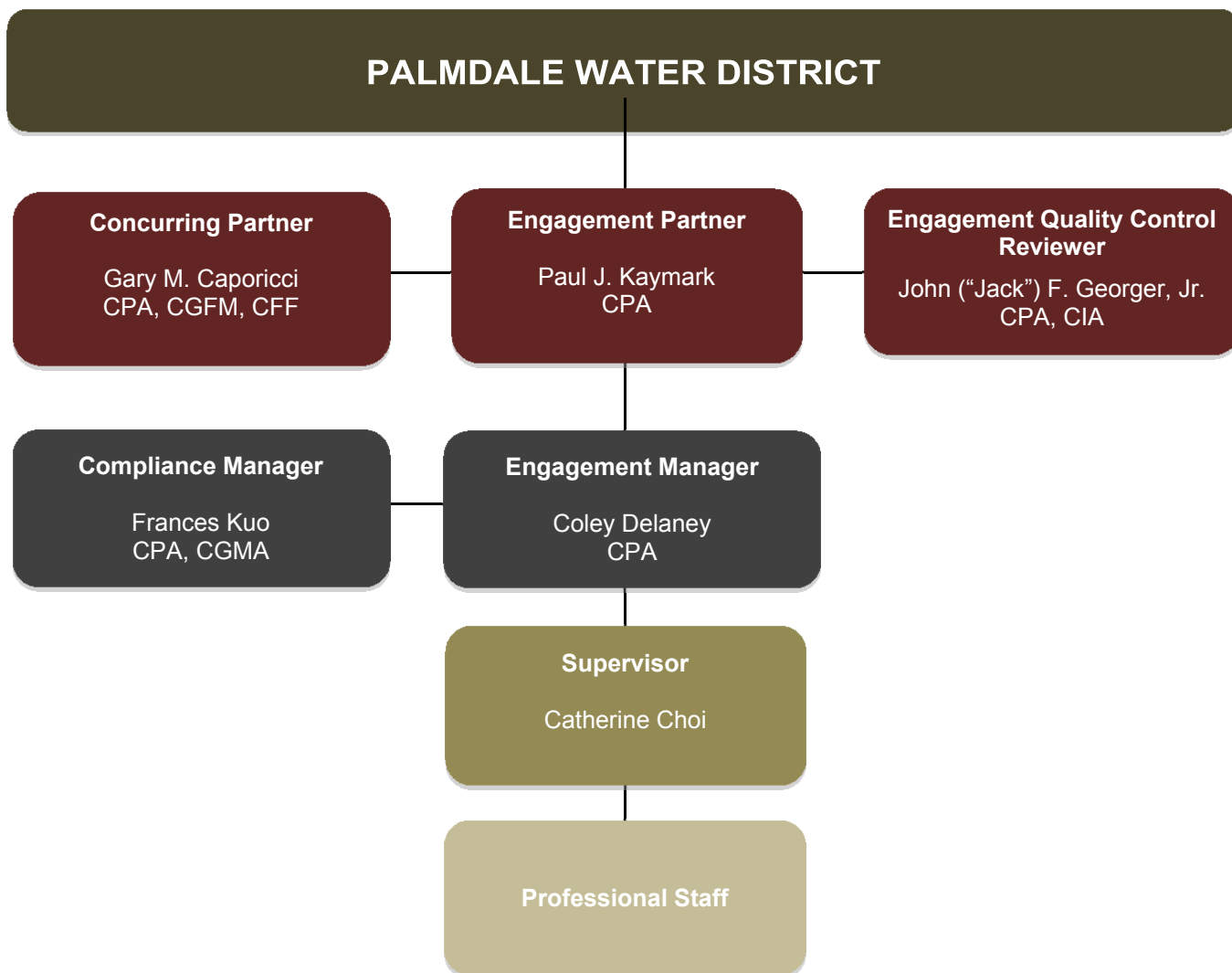
PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION IV – PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

Engagement Team

The Engagement Team is carefully chosen to provide the District with all services needed to successfully complete the audit. The Engagement and Concurring Partners are personally involved in the audit, and the Engagement Team has significant experience in governmental auditing. Our broad experience and technical capabilities allow us to provide technical support, interpret findings, and offer effective solutions to any issues.



The personnel assigned to this engagement are fully qualified to perform an effective and efficient audit of the District, and their extensive experience will be invaluable to the audit process. Our professionals are familiar with the complexities of governmental accounting, auditing, and financial reporting, including but not limited to, all GASB pronouncements, the Single Audit Act, Uniform Grant Guidance (formerly OMB Circular A-133), and fund operations.

If the Firm changes key personnel for reasons other than those specified in the Proposal, we will provide the District with written notification and will only be changed with the express prior written permission of the District.

Audit personnel may be replaced only by those with similar or better qualifications and experience.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Paul J. Kaymark, CPA | *Engagement Partner*

Paul is an Assurance Partner with the Government and Not-for-Profit Practice of the Firm who has over twenty-years of public accounting experience. He specializes in auditing special district governments and not-for-profit organizations. Paul will directly oversee the Engagement Team, and he will be responsible for the delivery of all services to Palmdale Water District. In addition, he will manage engagement planning and fieldwork, and he will review and approve the work papers and reports.

John (“Jack”) F. Georger, Jr., CPA, CIA | *Engagement Quality Control Reviewer*

In his forty years of experience, Jack has worked with many governmental and not-for-profit entities, including cities, counties, and special agencies and districts, as well as not-for-profit entities, providing clients with financial and compliance audit and consultation services. As an Assurance Partner in our Firm, he advises clients on complex accounting questions, supports engagement teams with audit issues, and reviews reports issued by the Firm to ensure that they fully comply with professional standards. Jack will be responsible for the final quality-control review of the engagement.

Gary M. Caporicci, CPA, CGFM, CFF | *Concurring Partner*

As an Assurance partner with over forty years of experience, Gary has provided financial and compliance audit and consultation services to governmental clients including cities, counties, healthcare entities, transportation agencies, and school districts, as well as various not-for-profit entities. He provides advice and consultation regarding complex accounting matters, assists engagement teams in audit matters.

Coley Delaney, CPA | *Engagement Manager*

Coley will work closely with Paul Kaymark and Gary Caporicci, directing the audit team in its daily activities. He is an Assurance Services/Audit Senior Manager and has extensive experience auditing local government entities including special agencies and districts, cities, counties, not-for-profit and healthcare entities.

Frances Kuo, CPA, CGMA | *Compliance Manager*

Working with Coley Delaney, Frances will direct the audit team in compliance-related matters. She is an Assurance Services/Audit Senior Manager in the Firm whose extensive auditing experience includes special agencies and districts, cities, counties, transportation agencies, and not-for-profit entities.

Catherine Choi | *Supervisor*

Catherine will direct the audit staff and coordinate with the Palmdale Water District personnel to create a seamless transition during the auditing process, and will secure the effective implementation of the audit approach.

Professional Staff

Our professional staff is qualified to perform financial and compliance audits of governmental and not-for-profit agencies and remains consistent throughout the engagement process. We greatly encourage our senior and staff accountants to take on increased responsibilities within the engagement as they advance professionally; with the purpose to encourage staff continuity in future projects and endeavors.

Engagement Team Resumes

The Palmdale Water District deserves experienced professionals who work as a team. The Pun Group, LLP will provide qualified employees to perform the audit; no subcontractors will be used. Resumes for key Engagement Team members follow.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Paul J. Kaymark, CPA* Engagement Partner



Paul J. Kaymark is a CPA in the State of California and has over twenty-two years of experience in public accounting and auditing governmental entities. Mr. Kaymark has extensive experience in the areas of governmental and not-for-profit financial reporting through working with and advising local governmental entities and not-for-profits organizations in the Southern California area.

Mr. Kaymark has also provided significant other services to various governmental and not-for-profit entities. In these engagements, he has been involved in the strategic planning processes, design and implementation of policies and procedures manuals and operational and organizational reviews of accounting departments. He has also been involved in the implementation of performance management budgeting and planning processes, financial reviews, trend analysis, cash management practices and utility rate setting.

EDUCATION

- ✓ 1994 - Bachelor of Science - Business Administration: Accountancy California State University, Long Beach

**Licensed by the State of California*

PROFESSIONAL & CIVIC AFFILIATIONS

- ✓ Member, American Institute of Certified Public Accountants (AICPA)
- ✓ Member, California Society of Certified Public Accountants (CalCPA)
- ✓ Member, Government Finance Officers Association (GFOA)
- ✓ Member, California Society of Municipal Finance Officers (CSMFO)
- ✓ GFOA Certificate for Excellence in Financial Reporting – Reviewer

PROFESSIONAL EXPERIENCE

1/15 – Present	Audit Partner The Pun Group, LLP – Santa Ana Office
10/02 – 12/14	Governmental Audit & Consulting Senior Manager CZFCPA – Cypress Office
Major Clients Served:	Mojave Water Agency Western Municipal Water District
07/99 - 09/02	Governmental Audit & Consulting Manager McGladrey, LLP – Anaheim Office
Major Clients Served:	Colton Public Utilities Glendale Water and Power
09/94 - 06/99	Supervising Senior – Public Services Sector KPMG, LLP – Los Angeles Office
Major Clients Served:	Metropolitan Water District of Southern California Los Angeles County Sanitation Districts

CONTINUING PROFESSIONAL EDUCATION

- ✓ Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:
 - Governmental and Nonprofit Annual Update
 - Government Auditing Standards
 - GASB Basic Financial Statements for State and Local Governments
 - Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
 - Financial Accounting Standards Board Annual Updates
 - Statement on Standards for Accounting and Review Services Updates
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

200 East Sandpointe Avenue, Suite 600, Santa Ana, California 92707
Email: Paul.Kaymark@pungroup.com | **Phone:** (949) 777-8821 | **Fax:** (949) 777-8850

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

John F. Georger, Jr., CPA*, CIA Engagement Quality Control Reviewer

Jack Georger is the Partner of the Governmental Division by leveraging more than forty years of public accounting and auditing experience in the government, agribusiness, financial services, manufacturing and non-profit sectors. Mr. Georger brings an in-depth knowledge and practical expertise to each client engagement. Mr. Georger coordinates, plans, and manages financial audit activities, consulting activities, federal and state compliance audit activities, performance audits and numerous quality control and internal control reviews for a broad mix of governmental agencies and programs throughout the United States.

Jack is a continuing professional education course instructor for the AICPA. Annually, he instructs over 300 hours on accounting and auditing subjects. He has coauthored training material in governmental accounting and auditing for the AICPA and is the technical reviewer of the CCH Knowledge-Based Audits™ of State and Local Governments with Single Audits.



Mr. Georger is licensed to practice as a certified public accountant in the states of California, New York, Virginia, Maryland, District of Columbia, Georgia, South Carolina, Missouri, Connecticut (inactive), and Wyoming (inactive), and is a Certified Internal Auditor (CIA).

EDUCATION

- ✓ Bachelor of Science, George Mason University Fairfax, Virginia

**Licensed by the State of California, New York, Virginia, Maryland, District of Columbia, Georgia, South Carolina, Missouri and Connecticut (inactive) and Wyoming (inactive)*

PROFESSIONAL & CIVIC AFFILIATIONS

- ✓ Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- ✓ Member, Institute of Internal Auditors
- ✓ Member, California Society of Certified Public Accountants (CalCPA)
- ✓ Member, CalCPA Government Accounting and Auditing Committee
- ✓ Member, New York Society of Certified Public Accountants (NYSSCPA)
- ✓ Chairman, NYSSCPA Government Accounting and Auditing Committee
- ✓ Member, NYSSCPA Auditing Standards Committee
- ✓ Member, NYSSCPA Financial Accounting Standards Committee
- ✓ Member, NYSSCPA Not-for-Profit Committee
- ✓ Member, Missouri Society of Certified Public Accountants (MSCPA)
- ✓ South Carolina Association of Certified Public Accountants (SCACPA)
- ✓ Member, Government Finance Officers Association (GFOA) – CAFR Reviewer

KEY CLIENTS

- Local Governments:
 - Town of Andrews, South Carolina
 - County of Isle of Wight, Virginia
 - City of Richmond, Virginia

CONTINUING PROFESSIONAL EDUCATION

- ✓ Instructor of over 300 hours of municipal accounting courses offered by the AICPA
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Gary M. Caporicci, CPA*, CGFM, CFF GASB Implementation Specialist



Gary M. Caporicci has more than forty years of diversified business experience, including a specialization in audit and management consulting for government organizations. Gary's clients include public and private universities and colleges, city and county governments, state agencies, joint power authorities, healthcare agencies, transportation agencies, and special districts. Known for his expertise in the areas of construction and government, Gary wrote the AICPA audit guides on these topics, and he has authored many audit and accounting courses for professional groups, as well as academic institutions. He frequently speaks and lectures at many professional organizations, governmental seminars, and conferences held by industry associations, other accounting firms, and universities. In addition, he authors white papers for the California Committee on Municipal Accounting.

Prior to working with the Firm, Gary founded his own accounting practice. He also spent eleven years with a "Big Eight" professional services firm, where he was an Audit Manager and gained broad experience in a wide range of industries such as government, construction, manufacturing, mutual funds, and insurance. Prior to that, Gary held a consultant position with a "Big Four" practice and was Vice President of a national insurance and financial services company.

In 2015 Gary Caporicci was appointed to the State Retirement Advisory Committee by the State Controller.

EDUCATION

- ✓ BS Degree in Accounting and Finance from the Armstrong University

**Licensed by the State of California*

PROFESSIONAL & CIVIC AFFILIATIONS

- ✓ Member and Instructor, American Institute of Certified Public Accountants (AICPA)
- ✓ Member, Author and Instructor, California Society of Certified Public Accountants (CalCPA)
- ✓ Past Chair, CalCPA Governmental Accounting and Auditing Committee
- ✓ Chair and Speaker, CalCPA Governmental Accounting and Auditing State Conferences
- ✓ Member, CalCPA Council
- ✓ Chair, California Committee on Municipal Accounting (CCMA)
- ✓ Member, Government Finance Officers Association (GFOA)
- ✓ Member, California Society of Municipal Finance Officers (CSMFO)
- ✓ Member, Governmental Accounting Standards Board (GASB),
- ✓ Member, Deposit and Investment Risks Disclosure Task Force (GASB No. 40)
- ✓ National Reviewer and Speaker, Government Finance Officers Association
- ✓ Adjunct Professor, National University
- ✓ Past Member, Texas Governmental Accounting and Auditing Committee
- ✓ GFOA Certificate for Excellence in Financial Reporting – Reviewer

CONTINUING PROFESSIONAL EDUCATION

- ✓ Author and instructor of various municipal accounting courses offered by CalCPA Education Foundation and local universities including:
 - Governmental and Nonprofit Annual Update
 - Government Auditing Standards
 - GASB Basic Financial Statements for State and Local Governments
 - Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Coley Delaney, CPA*

Engagement Manager



Coley Delaney is a Senior Manager within The Pun Group, LLP's Assurance division. In his nine years of accounting and auditing experience, Coley has worked with governmental agencies, not-for-profit entities and private for-profit entities. Coley specializes in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with Uniform Grant Guidance (formerly known as OMB Circular A-133).

Coley has performed audits and other attestation services for several governmental agencies throughout California including cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special districts, and he has helped them publish their Comprehensive Annual Financial Reports in compliance with GASB Statement No. 34.

Mr. Delaney develops training materials and shares his expertise internally with other Firm professionals. Coley is a frequent speaker at in-house seminars on topics related to government auditing standards and Single Audits.

EDUCATION

- ✓ BA Degree in Business Economics Emphasis in Accounting from the University of California, Santa Barbara.

*Licensed by the State of California

PROFESSIONAL & CIVIC AFFILIATIONS

- ✓ Member, American Institute of Certified Public Accountants (AICPA)
- ✓ Member, California Society of Certified Public Accountants (CalCPA)

RELEVANT PROJECT EXPERIENCE

• Altadena Library District	• Antelope Valley State Water Contractors Assoc.
• Barstow Heights Community Services District	• Big Bear City Airport District
• Big Bear City Community Services District	• Bodega Bay Fire Protection District
• Casitas Municipal Water District	• Desert Recreation District
• Desert Recreation Foundation	• Diablo Water District
• East Orange County Water District	• El Toro Water District
• Festival of Arts of Laguna Beach	• Festival of Arts of Laguna Beach
• Gold Coast Transit	• Mountain Meadows Community Services District
• North County Dispatch JPA	• North Count Fire Protection District
• North of the River Municipal Water District	• Orange County Coastkeeper
• Palmdale Water District	• Palos Verdes Library District
• Port of Hueneme - Oxnard Harbor District	• Public Agencies Self Insurance System
• Rancho Santa Fe Fire Protection District	• San Diego Coastkeeper
• San Mateo Mosquito and Vector Control District	• South Bay Regional Public Communications Authority
• Stallion Springs Community Services District	• The Farm Mutual Water Company
• Trabuco Canyon Water District	• County of Ventura (Local Transportation Fund)
• Ventura County Railroad Company, LLC	• West County Agency
• West County Wastewater District	• Wilmington Cemetery District

CONTINUING PROFESSIONAL EDUCATION

- ✓ Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:
 - Governmental and Nonprofit Annual Update
 - Government Auditing Standards
 - GASB Basic Financial Statements for State and Local Governments
 - Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
 - Financial Accounting Standards Board Annual Updates
 - Statement on Standards for Accounting and Review Services Updates
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

2625 Greenwich Drive, Suite 220, San Diego, California 92122
Email: Coley.Delaney@pungroup.com | Phone: (858) 242-5101 | Fax: (858) 242-5150

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Frances Kuo, CPA*, CGMA Compliance Manager



Frances Kuo is a Senior Manager in The Pun Group, LLP's Assurance division. Frances has over ten years of accounting and auditing experience working with governmental agencies, not-for-profit entities, and employee benefit plans. Frances also has particular expertise in conducting financial audits under GAO Yellow Book standards and compliance audits in accordance with Uniform Grant Guidance (formerly OMB Circular A-133).

Frances has performed audits and other attestation services for several municipalities throughout California including cities, counties, redevelopment agencies, public financing authorities, housing authorities, transportation agencies, and special Districts. She has assisted these clients with publishing their Comprehensive Annual Financial Reports in compliance with GASB Statement No. 34.

Ms. Kuo is the in-house instructor who provides training, both theoretical and on-the-job training, to lower level staff. She has developed training materials on the risk based audit approach, GASB Statement No. 34 reporting, Single Audits, and employee benefit plan audits.

EDUCATION

- ✓ BS Degree in Business Administration, Emphasis in Accounting, from the University of California, Riverside
- ✓ BA Degree in Economics from the University of California, Riverside

**Licensed by the State of California, Arizona and Virginia.*

PROFESSIONAL & CIVIC AFFILIATIONS

- ✓ Member, American Institute of Certified Public Accountants (AICPA)
- ✓ Member, California Society of Certified Public Accountants (CalCPA)
- ✓ Member, California Society of Municipal Finance Officers (CSMFO)

RELEVANT PROJECT EXPERIENCE

• City of Arcadia	• City of Bradbury
• City of Cerritos	• City of Carpinteria
• City of Desert Hot Springs	• City of Gardena
• City of Huntington Park	• City of Huntington Beach
• City of Hermosa Beach	• City of Hemet
• City of Industry	• City of Monterey Park
• City of Ridgecrest	• Conejo Recreation and Park District
• Las Virgenes Municipal Water District	• Marina Coast Water District
• Mountains Recreation and Conservation Authority	• San Diego Transit Corporation Retirement Plan
• Tulare Community Health Clinic	• San Diego Metropolitan Transit System
• San Diego Association of Governments	• Southwestern Community College District
• Valley Sanitary District	• Shanghai Jiao Tong University Foundation of America

CONTINUING PROFESSIONAL EDUCATION

- ✓ Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:
 - Governmental and Nonprofit Annual Update
 - Government Auditing Standards
 - GASB Basic Financial Statements for State and Local Governments
 - Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
 - Financial Accounting Standards Board Annual Updates
 - Statement on Standards for Accounting and Review Services Updates
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Catherine Choi Supervisor

Catherine Choi is a Supervisor of The Pun Group, LLP. She has more than seven (7) years of governmental and not-for-profit experience that ranges from GASB audit/reporting, Internal Controls/COSO Framework, Single Audit, Corporate Financial Reporting, Data Analysis and Taxation.

In various engagements, Catherine has been involved in providing significant services to various governmental and not-for-profit entities and actively contributed and participated in the planning process, implementation of the audit work plan, supervision of staff, compliance testing for the Single Audit Concept and preparation of the Comprehensive Annual Financial Reports.



EDUCATION

- ✓ BS Degree in Accounting from the California Polytechnic University of Pomona.

RELEVANT PROJECT EXPERIENCE

• Altadena Library District	• Antelope Valley State Water Contractors Assoc.
• Barstow Heights Community Services District	• Big Bear City Airport District
• Big Bear City Community Services District	• Bodega Bay Fire Protection District
• Casitas Municipal Water District	• Desert Recreation District
• Desert Recreation Foundation	• Diablo Water District
• East Orange County Water District	• El Toro Water District
• Festival of Arts of Laguna Beach	• Festival of Arts of Laguna Beach
• Gold Coast Transit	• Mountain Meadows Community Services District
• North County Dispatch JPA	• North Count Fire Protection District
• North of the River Municipal Water District	• Orange County Coastkeeper
• Palmdale Water District	• Palos Verdes Library District
• Port of Hueneme - Oxnard Harbor District	• Public Agencies Self Insurance System
• Rancho Santa Fe Fire Protection District	• San Diego Coastkeeper
• San Mateo Mosquito and Vector Control District	• South Bay Regional Public Communications Authority
• Stallion Springs Community Services District	• The Farm Mutual Water Company
• Trabuco Canyon Water District	• County of Ventura (Local Transportation Fund)
• Ventura County Railroad Company, LLC	• West County Agency
• West County Wastewater District	• Wilmington Cemetery District

CONTINUING PROFESSIONAL EDUCATION

- ✓ Various municipal accounting courses offered by the AICPA, CalCPA Education Foundation and local universities including:
 - Governmental and Nonprofit Annual Update
 - Government Auditing Standards
 - GASB Basic Financial Statements for State and Local Governments
 - Single Audits: Uniform Grant Guidance (formerly OMB Circular A-133)
 - Financial Accounting Standards Board Annual Updates
 - Statement on Standards for Accounting and Review Services Updates
- ✓ Has met the current CPE educational requirements to perform audits of governmental agencies.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION V – SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

The following five clients are examples of some of the engagements that are similar to the requirements in the District's proposal. Additional references are available upon request. Please feel free to contact these governmental agencies to learn more about their experiences working with us.

Reference No. 1

Governmental Client Name: Casitas Municipal Water District

Contact Individual: Ms. Denise Collin

Phone No: (805) 649-2251 x 103

Address: 1055 Ventura Avenue, Oak View, CA 93022

Year: 2015 - Present

Description of Services Provided:

- ✓ Audit of the Basic Financial Statements and CAFR Presentation
- ✓ Similar District with Camping and Recreation Facilities

GFOA's Certificate of Achievement for Excellence in Financial Reporting: Yes

Reference No. 2

Governmental Client Name: Trabuco Canyon Water District

Contact Individual: Ms. Cindy Byerrum, Treasurer

Phone No: (909) 204-8858

Address: 32003 Dove Canyon Drive, Trabuco Canyon, CA 92679

Year: 2015 - Present

Description of Services Provided:

- ✓ Audit and preparation of the Basic Financial Statements

Reference No. 3

Governmental Client Name: El Toro Water District

Contact Individual: Ms. Neely Shahbakht

Phone No: (949) 837-7050 x 240

Address: 24251 Los Alisos Blvd., Lake Forest, CA 92630

Year: 2014 - Present

Description of Services Provided:

- ✓ Audit of the Basic Financial Statements and CAFR preparation
- ✓ Quarterly Agreed-Upon Procedures Engagement

GFOA's Certificate of Achievement for Excellence in Financial Reporting: Yes

Reference No. 4

Governmental Client Name: West County Wastewater District

Contact Individual: Mr. Dean Prater, CPA

Phone No: (510) 622-3615

Address: 2910 Hilltop Drive, Richmond, CA 94806

Year: 2015 - Present

Description of Services Provided:

- ✓ Audit of the Basic Financial Statements and CAFR Presentation

GFOA's Certificate of Achievement for Excellence in Financial Reporting: Yes

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Firm Municipal Clients

The Pun Group, LLP has performed numerous audits of governmental organizations subject to financial and compliance audits. These audits were performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Circular A-133 and its Compliance Supplement (when applicable), Office of the State Controller's Minimum Audit Requirements and **Reporting Guidelines for California Special Districts**. A list of current engagements is as follows:

AT THE PUN GROUP, LLP WE WORK TOGETHER WITH OUR CLIENTS TO ADDRESS A VARIETY OF CHALLENGES LIKE:

- ✓ Reporting and Compliance Requirements
- ✓ Risk and Internal Controls
- ✓ Operational Transformation
- ✓ Technology Consulting

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING:

100% of our clients that have submitted their reports to the GFOA have received the Certificate of Excellence.

UNPARALLELED PARTNERS SUPPORT:

Hands-on partner involvement always available to address our client's needs and answer questions.

OUR SERVICES INCLUDE:

- ✓ Financial statement audits
- ✓ Performance audits
- ✓ Single audit (OMB Circular A-133)
- ✓ Employee benefit plan audits
- ✓ Internal controls evaluations

Special Districts:

Altadena Library District
Antelope Valley State Water Contractors Association
Barstow Heights Community Services District
Big Bear City Airport District
Big Bear City Community Services District
Bodega Bay Fire Protection District
Casitas Municipal Water District
Desert Recreation District
Desert Recreation Foundation
Diablo Water District
East Orange County Water District
El Toro Water District
Encinitas Ranch Golf Authority
Fallbrook Healthcare District
Las Virgenes Municipal Water District
Las Virgenes-Triunfo JPA
Marina Coast Water District
Menlo Park Fire Protection District
Newport Coast Elementary School District
North Count Fire Protection District
North County Dispatch JPA
North of the River Municipal Water District
Orange County Coastkeeper
Palmdale Water District
Palos Verdes Library District
Port of Hueneme - Oxnard Harbor District
Rancho Santa Fe Fire Protection District
Riverside County Flood Control and Water Conservation District
San Diego Coastkeeper
San Dieguito Water District Audit
San Mateo Mosquito and Vector Control District
South Bay Regional Public Communications Authority
Southwestern Community College District
Stallion Springs Community Services District
The Farm Mutual Water Company
Trabuco Canyon Water District
Valley Sanitary District
West County Agency
West County Wastewater District
West Valley Water District
Wilmington Cemetery District

Transportation Agencies/Authorities:

Gold Coast Transit
San Diego Metropolitan Transit System
Shasta Regional Transportation Agency
Ventura County Railroad Company, LLC
Ventura County Transportation Commission

Cities/Towns:

City of Arvin
City of Arcadia
City of Bradbury
City of Calexico
City of Carpinteria
City of Cerritos
City of Chula Vista
City of Clearlake
City of Clovis
Town of Danville
City of Desert Hot Springs
City of Encinitas
City of Fairfield
City of Gardena
City of Hemet
City of Hermosa Beach
City of Huntington Park
City of Huntington Beach
City of Industry
City of Lakewood
City of Monterey Park
City of Morro Bay
City of National City
City of Placerville
City of Poway
City of Ridgecrest
City of San Bernardino
City of Solana Beach
City of Shafter
City of Stockton

Health Centers:

Alliance Medical Center
Anderson Valley Health Clinic
Centro Medico Community Clinic
Desert Hot Springs Health and Wellness Foundation
Family Health Centers of San Diego
Industry Convalescent Hospital
Marin City Health and Wellness Center
McCloud Healthcare Clinic
Mountain Valleys Health Centers
Redwood Coast Medical Services
Shingletown Medical Center
Tulare Community Health Clinic
United Health Centers of San Joaquin Valley

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION VI – SPECIFIC AUDIT APPROACH

Understanding the Scope

Twenty Nine Palms Water District is requesting an opinion as to the fair presentation of its basic financial statements in accordance with generally accepted accounting principles (GAAP) and applicable laws and regulations. These audits are to be performed in accordance with all applicable and generally accepted auditing standards, including, but not limited to, the following:

The Firm will:

- ✓ Prepare a report or memorandum on Internal Control and prepare a Management Letter addressing all deficiencies noted including items not considered significant deficiencies or material weaknesses (i.e. immaterial findings). In this report, the Firm will also communicate any reportable conditions found during the audit and indicate whether they are also material weaknesses.
- ✓ When required, the Firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the District's financial statements in accordance with Government Auditing Standards and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133.
- ✓ Keep the District informed of any new state and federal developments affecting municipal finance and reporting standards.
- ✓ If requested, the engagement team will examine other reports or perform other services as required. Additional work will not conflict with the primary responsibilities of the services required. Additional time and fees will be negotiated based on the scope of the services requested.
- ✓ Make an immediate, written report to the District of all irregularities and illegal acts or indications of illegal acts of which they become aware of.
- ✓ Prepare and file the Annual Reports of Financial Transactions of the Agency to the State Controller for each year by the due date required by the State Controller's Office.
- ✓ The Firm will express an opinion through the issuance of their auditor's report on the basic financial statements. The Firm will also apply limited audit procedures to the Management's Discussion and Analysis (MD&A) and other required supplementary information included in the auditor's report.

Auditing Standards to be followed

The audits will be performed in accordance with:

- Generally Accepted Auditing Standards (GAAS), consisting of general standards, standards of field work, and standards of reporting, as set forth by the American Institute of Certified Public Accountants;
- Generally Accepted Government Auditing Standards (GAGAS), the standards applicable for financial audits contained in the Government Auditing Standards or "Yellow Book" (the 2007 version or any newer published version), issued by the Comptroller General of the United States;
- The provisions of the Single Audit Act, as most recently revised on December 26, 2013 including additional requirements under the American Recovery Reinvestment Act (ARRA); and
- The provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
- Minimum audit requirements and reporting guide lines for special Districts pursuant to California Code of Regulation, State Controller, Subchapter 5, 1131.2 "Minimum Audit Requirements and Reporting Guidelines for Special Districts."

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Level of staff and number of hours to be assigned to each proposed segment of the engagement

We understand that the District is looking for value in the professional relationship they have with their auditors. Value comes from the knowledge, experience, and dedication that the auditing firm employs. We stress “employ” because all of the knowledge and expertise shown on paper will not benefit you unless it is applied. This application equates to time spent. We have developed an hours plan that we feel will accomplish the objectives of the District and meet your particular needs. We will utilize the information you have shared with us and our experience over the years auditing other governmental entities including agencies of a similar size and nature to develop an effective and efficient plan for all major areas.

Total Hours:

Staff Classification Performing Work	Estimated Hours Annually
Partners	20
Managers	30
Senior Auditors	50
Staff Auditors	60
Total Annual Hours :	160

Hours by Audit Phase	Hours
Phase I - Planning	20
Phase II - Interim	50
Phase III - Year End	60
Phase IV - Reporting	30
Total Annual Hours :	160

Working Paper Retention and Access to Working Papers

The Firm will retain, at its own expense, all working papers and reports for a minimum of (7) seven years (California Law), unless the District notifies the Firm in writing of the need to extend the retention period. Upon request, the Firm will make working papers available to Palmdale Water District or other governmental agencies included in the audit of federal grants.

The Firm will comply with reasonable inquiries from successor auditors and allow them to review working papers that relate to matters of continuing accounting significance.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Proposed Segmentation of the Engagement and Timeline

The audit will be performed in four phases:

Initial Planning Meeting / During a mutually acceptable time frame each year.

The Engagement Partner and Manager will meet with District's Management to get up to speed with District policies and procedures, establish any specific requirements Management may have, identification of unique transactions, implementation of new GASB pronouncements, and develop the audit work plan for the engagement.

Interim / May commence February of each year.

The Engagement Team—including the Engagement Partner—will assess accounting policies adopted by the District, obtain an understanding of the District and its operating environment, review internal controls on all significant transaction classes, perform walkthroughs and/or tests of internal control, perform preliminary analytical procedures, evaluate Single Audit compliance (if needed), identify any audit issues, and prepare confirmation correspondence. The Engagement Team and District Management will establish expectations including responsibilities and assignments for the year-end audit, and will hold a progress status meeting at the end of the Interim phase.

Year-End / May commence during March of each year.

The Engagement Team—including the Engagement Partner—will conduct audit procedures on account balances in the general ledger, finish confirmation procedures, perform preliminary analytical procedures, search for unrecorded liabilities, perform substantive analytical review procedures, complete work on compliance with Federal Assistance, and conclude fieldwork. The Engagement Team and District Management will hold an exit conference at the end of the Year-End phase.

Reporting / Draft copies of reports will be provided in by April each year; Final reports and management letter will be provided no later than April 30th each year.

The Firm will review and prepare audit reports and perform quality control procedures in accordance with the Quality Control Standards issued by the AICPA. We will also review reports for compliance with GFOA reporting guidelines at no additional cost. Any comments will be issued in a letter to Management. At the District's request, the Engagement Partner, Concurring Partner, and Managers will present the audit to the District's governing body.

The Firm will complete the audit fieldwork and issue all reports within the established timeframe, assuming no internal or external (CalPERS GASB No. 68 Reporting) District circumstances delay the audit.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Objectives of Our Services

Our primary objective for the proposed audit is to examine the District's financial statements and express our opinions on their fairness of presentation, in accordance with generally accepted accounting principles. Other objectives that will benefit the District include the following:

- To offer beneficial observations and recommendations about policies and procedures for accounting and operating controls.
- To identify opportunities to make District **operations more efficient and reduce costs**.
- To perform the audit efficiently and effectively, so disruption to office operations is minimized.
- To provide continuing advisory services to help the District implement recommendations.
- To meet these objectives at no additional cost to the District.
- The Firm will engage in statistical sampling, compliance tests, and substance testing throughout the audit engagement process, as a part of the Firm's specific audit approach.

The Engagement Team will perform the audit in accordance with the Firm's quality-control procedures, which include following standard audit programs, careful planning, using industry-standardized software for auditing and internal control documentation, and welcoming an objective review of audit work.

The Firm supplies portable computers and second monitors to the onsite staff members.

Our audit approach emphasizes careful planning, open communication, and proper assignment of responsibilities. This method ensures that audit requirements will be met with minimal disruption of the District's daily operations, and that the audit will proceed efficiently with full understanding between the Engagement Team and the District.

Extent Statistical Sampling is to be Used in this Engagement and the Sample Size

In our audit approach, statistical sampling is used in conjunction with our skilled judgment and knowledge of each situation. The population size and assurance level needed from any given test will determine the sample size used in our testing.

Approach to be taken in Determining Audit Samples for Purposes of Compliance Testing

To test compliance, we follow the AICPA's *Audit Sampling Considerations of Uniform Grant Guidance (formerly OMB Circular A-133) Compliance Audits*. We will select an appropriate sample size based on our professional judgment and knowledge. Any deviations from control and compliance requirements will be documented.

Type and Extent of Analytical Procedures to be Used in the Engagement

We use analytical procedures during the interim phase to set up expectations for the year-to-date results and balances and compare them with *budgeted* and prior-year amounts. This allows us to forecast year-end amounts, reducing the workload during the year-end phase and allowing us to focus on areas of concern.

We also use trend and ratio analysis to identify any uncertain or unusual events. In order to perform these analysis, our firm performs a survey of special agencies and develops benchmarks on certain key financial indicators, such as cost of services to tax revenues ratios, average general fund balance, capital assets, debt per capital, general fund unassigned fund balance to total general fund expenditures, etc.

Our staff members have the knowledge and experience to effectively use analytical procedures to the District's benefit.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION VII – IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

While we do not expect any problems with the audit, we will carefully investigate and monitor the following common problem areas:

- Investments:
 - Compliance with GASB 31 and GASB 34
 - Authorization and approval process for District investments
 - Controls to assure District compliance with investment limitations and types of specific investments
 - Monitoring by the District of its investments
- Financial Reporting:
 - CAFR compliance with current reporting and disclosure requirements issued by GASB
 - CAFR eligibility for financial reporting conformance awards issued by GFOA
 - Compliance with the various GASBs in effect, especially the implementation of GASB 68 and 71 related to pension accounting
 - Compliance with infrastructure obligations and regulatory provisions
- Internal Control Structure:
 - District's internal control functions and compliance with proper internal control philosophies
 - Computer-system processes and controls, and adequacy of the control environment

Over the period of this proposal, several new GASB pronouncements will become effective. The Engagement Team will pay specific attention to the following new and upcoming pronouncements, and any others that become effective during the proposal period, in order to determine proper implementation procedures:

- GASB 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27*
- GASB 69 – *Government Combinations and Disposals of Government Operations*
- GASB 71 – *Pension Transition for Contributions Made Subsequent to the Measuring Date*
- GASB 74 – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- GASB 76 – *The Hierarchy of Generally Accepted Account Principles for State and Local Governments*
- GASB 77 – *Tax Abatement Disclosures*
- GASB 78 – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*
- GASB 79 – *Certain External Investment Pools and Pool Participants*

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

SECTION VIII – COST PROPOSAL

Certification

We are committed to the performance of a high quality audit at the most reasonable fee level possible, both initially and throughout the engagement. Also, our partners will provide advice and consultation as needed, at no additional cost to the Palmdale Water District.

Name of Firm: The Pun Group, LLP
Certified Public Accountants and Business Advisors
200 Sandpointe Avenue, Suite 600
Santa Ana, California 92707

Certification: Paul J. Kaymark is entitled to represent the Firm, empowered to submit the bid, and authorized to sign a contract with the Palmdale Water District.



Paul J. Kaymark, CPA | Audit Partner
The Pun Group, LLP

Total All-Inclusive Maximum Price

Following are our total fixed fees for the Fiscal Years Ending December 31, 2016, 2017 and 2018..

Pesonnal	Hours	Standard Hourly Rates	Standard Hourly Total
Partners	20	\$ 250	\$ 5,000
Managers	20	\$ 200	\$ 4,000
Supervisor	60	\$ 150	\$ 9,000
Staff Auditors	54	\$ 125	\$ 6,750
Clerical	6	\$ 100	\$ 600
Subtotal	160		\$ 25,350
Out-of-Pocket expenses:			\$ -
Other-Specify:			
Less: Professional Discount			\$ (7,350)
Total maximum price for annual audit (FY2016)*			\$ 18,000
Additional Years			Total Cost*
FYE December 31, 2017		\$	18,500
FYE December 31, 2018		\$	19,000

*Based on the information provided by the District and our understanding of the engagement, the District is not subject to the Single Audit Act in accordance with OMB Uniform Guidance at this time. If the District applies for funding subsequent to the preparation of this proposal, the fee to audit the 1st major program will be \$3,000. 2nd Major Program \$2,500 based on \$750,000 of Federal awards spent per year per program. The number of programs determined to be "major" will be based on OMB Uniform Guidance. The Engagement Team will discuss this with the District's Management before starting Single Audit work.

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Out of Pocket Expenses in the Total Maximum Price and Reimbursement Rates

The Firm's policy is to maintain flexible billing rates in order to meet the needs of clients and help them control costs. In the interest of starting our long-term relationship, we will **absorb all costs** required to familiarize ourselves with the operations and accounting systems, as well as, travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the Palmdale Water District. These **costs** will also be **absorbed** by the Firm.

Rates by Partner, Supervisory, and Staff

Below is the Firm's standard hourly billing rates, delineated by staffing levels:

Auditor's Standard Hourly Billing Rates	
Position	FY 2015-16
Partner(s)	\$ 250
Senior Manager(s)	\$ 225
Manager(s)	\$ 200
Supervisor(s)	\$ 175
Senior Accountant(s)	\$ 150
Staff Accountant(s)	\$ 125
Clerical	\$ 100

The Firm's policy is to maintain flexible billing rates in order to meet the needs of clients and help them control costs. In the interest of starting our long-term relationship, we will **absorb all costs** required to familiarize ourselves with the operations and accounting systems, as well as, travel and printing costs. Additionally, our Partners will be available to provide advice and consultation as necessary to the Palmdale Water District. These **costs** will also be **absorbed** by the Firm.

Any supplemental reports, audits, or agreed-upon procedures not covered by this proposal may be added in a written agreement prior to commencing audit work. The Firm and the District will discuss and approve the scope and associated costs of these tasks. Any additional work will be performed at the above quoted hourly rates.

Manner of Payment

Engagement Team members are required to maintain timesheets detailing the date, number of hours, and work performed for every audit task. The Firm will collect these timesheets and bill the Palmdale Water District, at the rates outlined in the Total All-Inclusive Maximum Price section, in four stages: (1) at the conclusion of the planning phase, (2) at the conclusion of the interim phase, (3) at the conclusion of the Year-End phase, (4) and after presentation and acceptance of the final audit reports. Interim billings will cover a period not less than a calendar month. The billing amounts generally break down as follows:

Work Performed	% of Proposal Amount
For Planning	10%
For Interim work	40%
For Year-End work	40%
At Presentation and Acceptance of Final Reports	10%
Total	100%

PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services

Benefits of Choosing The Pun Group, LLP

The Pun Group, LLP is known for its professionalism, integrity, and ability to guide clients through their unique challenges. Firm policy emphasizes providing personalized client service, so our carefully chosen engagement teams are led by an experienced partner who is directly involved in the work. This philosophy allows us to provide a superior level of service.

We trust that this proposal has given you the information you need about the Firm, the Engagement Team members, overall audit approach, cost-saving measures, and audit fees. We are committed to exceeding your expectations, and we look forward to bringing our experience and expertise to the Palmdale Water District and providing you with the excellent level of service that you expect and deserve.

Thank You

Thank you for giving us the opportunity to introduce the Firm and submit our qualifications to provide you with audit services. Please direct inquiries to:

Mr. Paul J. Kaymark, CPA
Audit Partner
200 East Sandpointe Avenue, Suite 600
Santa Ana, California 92707
paul.kaymark@pungroup.com
(949) 777-8821

Sincerely,

A handwritten signature in black ink that reads "The Pun Group, LLP". The script is fluid and cursive, with the letters "Pun" and "Group" being more prominent and stylized than "The" and "LLP".

The Pun Group, LLP
Certified Public Accountants and Business Advisors

APPENDIX

✓ *Proof of Insurance*

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PALMDALE WATER DISTRICT

Proposal to Perform Professional Auditing Services



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/8/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Wood Gutmann & Bogart 15901 Red Hill Ave., Suite 100 Tustin CA 92780		CONTACT NAME: Connie Jones PHONE (A/C, No, Ext): 714-505-7000 E-MAIL ADDRESS: connie@wgbib.com FAX (A/C, No): 714-573-1770															
INSURED The Pun Group, LLP 200 East Sandpointe Avenue, Suite 600 Santa Ana CA 92707		INSURER(S) AFFORDING COVERAGE <table border="1"> <tr> <th>INSURER</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: TRAVELERS CAS INS CO OF AMER</td> <td>19046</td> </tr> <tr> <td>INSURER B: Travelers Property Casualty Co of A</td> <td>25674</td> </tr> <tr> <td>INSURER C: Argonaut Insurance Company</td> <td></td> </tr> <tr> <td>INSURER D: TRAVELERS CAS INS CO OF AMER</td> <td>19046</td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>		INSURER	NAIC #	INSURER A: TRAVELERS CAS INS CO OF AMER	19046	INSURER B: Travelers Property Casualty Co of A	25674	INSURER C: Argonaut Insurance Company		INSURER D: TRAVELERS CAS INS CO OF AMER	19046	INSURER E:		INSURER F:	
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INSURER E:																	
INSURER F:																	

COVERAGES

CERTIFICATE NUMBER: 351569536

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		6807G592120-16	3/1/2016	3/1/2017	<table border="1"> <tr><td>EACH OCCURRENCE</td><td>\$2,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$300,000</td></tr> <tr><td>MED EXP (Any one person)</td><td>\$5,000</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td>\$2,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td>\$4,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td>\$4,000,000</td></tr> <tr><td></td><td>\$</td></tr> </table>	EACH OCCURRENCE	\$2,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$300,000	MED EXP (Any one person)	\$5,000	PERSONAL & ADV INJURY	\$2,000,000	GENERAL AGGREGATE	\$4,000,000	PRODUCTS - COMP/OP AGG	\$4,000,000		\$
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B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	UB4548T41-2-16	3/1/2016	3/1/2017	<table border="1"> <tr> <td><input checked="" type="checkbox"/> PER STATUTE</td> <td><input type="checkbox"/> OTH-ER</td> <td></td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td></td><td>\$1,000,000</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td></td><td>\$1,000,000</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td></td><td>\$1,000,000</td></tr> </table>	<input checked="" type="checkbox"/> PER STATUTE	<input type="checkbox"/> OTH-ER		E.L. EACH ACCIDENT		\$1,000,000	E.L. DISEASE - EA EMPLOYEE		\$1,000,000	E.L. DISEASE - POLICY LIMIT		\$1,000,000		
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3,000,000 agg	1,000,000																			

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Proof Of Insurance Only

CERTIFICATE HOLDER

Proof Of Insurance Only

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

DB, III

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ACORD 25 (2014/01)

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200 East Sandpointe Avenue, Suite 600, Santa Ana, California 92707
Phone: (949) 777-8800 | **Fax:** (949) 777-8850 | www.pungroup.com



**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: July 6, 2016 **July 13, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Jennifer Emery, Human Resources Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.4 – APPROVAL OF REVISIONS TO JOB DESCRIPTIONS FOR ENGINEERING DEPARTMENT, WATER & ENERGY RESOURCES DEPARTMENT, PUBLIC AFFAIRS & SUSTAINABILITY DEPARTMENT, PLANT OPERATOR III AND PURCHASING TECHNICIAN.***

Recommendation:

Staff recommends that the Board approve the attached job descriptions which reflect changes to the organization chart approved by the Board at the June 22nd meeting.

Alternative Options:

The alternative is to maintain the current job descriptions reflecting the previous organizational chart.

Background:

The Board approved changes to the organization chart which allows for greater flexibility of staffing and increased efficiencies within the District. Staff is confident that the proposed job description changes and defined areas of responsibility will allow the District to continue improving our operations and efficiencies.

Strategic Plan Initiative:

This work is part of Strategic Plan Initiative No. 2 – Organizational Excellence.

Budget:

These movements would have no effect on the 2016 budget.

Supporting Documents:

- Proposed Job Descriptions for Engineering Department – GIS Coordinator, Engineering Design Technician I/II, Engineering Technician I/II, Cross Connection Control Specialist, and Project Manager.
- Proposed Job Descriptions for Water and Energy Resources – Water Conservation Aide, Field Customer Care Representative II, and Management Analyst.
- Proposed Job Descriptions for Public Affairs & Sustainability within the Administration Department – Public Affairs Specialist and Public Affairs and Sustainability Director.
- Proposed Job Descriptions for Facilities Department – Purchasing Technician.
- Proposed Job Descriptions for Operations Department – Plant Operator III.

PALMDALE WATER DISTRICT

GIS COORDINATOR

FLSA Status: Non-Exempt

DEFINITION

To perform a wide variety of routine to complex technical duties in developing, implementing and supporting the District's geographic information systems database; and performs related duties as assigned.

DISTINGUISHING CHARACTERISTICS

This is the journey level class. Employees at this level receive only occasional instruction or assistance as new, unusual or unique situations arise and are fully aware of the operating procedures and policies within the work unit. Positions in this class are flexibly staffed.

SUPERVISION RECEIVED AND EXERCISED

Receives supervision from the Project Manager.

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

Prepare and review technical designs, maps, drawings, visual aids, and graphic presentation materials related to District facilities projects; use manual or computerized methods to develop or revise engineering drawings during design and construction phases.

Perform technical design review including conceptual and detailed design review according to District standards and policies; issue rejection or will-serve notifications.

Using a variety of technical engineering software including computer aided design/drafting (CADD), produce and maintain maps via geographic information systems (GIS); maintain and make adjustments to the District's distribution system hydraulic model.

Maintain mapping and recording of the District's conveyance and distribution systems and related water facilities; identify and report problems with new and/or existing pipeline maintenance and construction.

Establish, maintain, and close out project files, including tract, commercial, single parcel and specification files according to District engineering standards; ensure compliance with project documentation requirements; prepare and maintain as-built drawings.

Provide database management of maps and records; add new layers, edit documents or make corrections as needed to document project and engineering/construction history and maintain District mapping records in an up-to-date status.

Create and run queries and prepare format output for various routine and special reports required by District departments; update programs and systems with patches and service pack releases provided by outsourced vendors.

Conduct field site investigations; verify conditions, measurements, and conformity to specifications; locate public utility lines and confirm adequate fire flow pressures; perform survey work and prepare field sketches and notes.

Assist in the design and preparation of plans for new or expanded District buildings; prepare plan specifications or modifications and ensure compliance with building and design codes and regulations.

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:

Advanced engineering computer software applications such as CADD and GIS used in the design and monitoring of civil engineering construction and maintenance projects.

Property research and real property legal descriptions.

District policies and procedures, engineering standards, and pertinent local, State, and Federal laws, ordinances and rules.

Principles and practices of technical report writing and data presentation.
Principles of algebra, geometry, and trigonometry.

Basic surveying practices and related equipment.

Principles and practices of recordkeeping.

Computer software used in word processing, spreadsheet, and database applications.

English usage, spelling, punctuation, and grammar.

Principles and practices of good customer service.

Ability to:

Independently perform technical engineering support duties in the design, construction, and maintenance of the District's water distribution system and facilities improvement projects.

On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; research, identify and interpret technical and numerical information, including engineering calculations; observe and problem solve operational and technical policy and procedure; and explain regulations and procedures to others.

On a continuous basis, sit at desk for long periods of time; intermittently stand at counter; walk, bend, twist, squat, and kneel while performing field work; twist to reach office equipment surrounding desk; perform simple and power grasping, pushing, pulling and fine manipulation; use telephone and write or use a keyboard to communicate through written means; and lift or carry weight up to 25 pounds.

Perform mathematical calculations with speed and accuracy.

Use a variety of computer software to draft and design engineering plans, maps; charts, spreadsheets, and other related documents; maintain databases and records.

Maintain and update a variety of electronic and hardcopy files.

Learn District policies and procedures and engineering standards.

Learn principles and practices of property research, including boundary determination and land title examination.

Work outside under a variety of climatic and geographic conditions.

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:

Two years of responsible journey experience performing duties similar to an Engineering Technician 1 with the Palmdale Water District.

Training:

Equivalent to an Associate's degree from an accredited college with major course work in civil engineering, mathematics, database management or a related field.

License and Certificate

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

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Approved:

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.

ENGINEERING DESIGN TECHNICIAN 1
ENGINEERING DESIGN TECHNICIAN 2

FLSA Status: Non-Exempt

DEFINITION

To perform technical engineering support duties in drafting/design, related to the District's water distribution system and facilities improvement projects.

DISTINGUISHING CHARACTERISTICS

Engineering Design Technician 1 - This is the entry level class in the Engineering Design Technician series. Positions in this class typically have little or no directly related work experience and work under immediate supervision while learning job tasks. The Engineering Design Technician 1 class is distinguished from the 2 level by the performance of less than the full range of duties assigned to the 2 level. Incumbents work under immediate supervision while learning job tasks, progressing to general supervision as procedures and processes of assigned area of responsibility are learned.

Engineering Design Technician 2 - This is the journey level class in the Engineering Design Technician series and is distinguished from the 1 level by the assignment of the full range of duties. Employees at this level receive only occasional instruction or assistance as new, unusual or unique situations arise and are fully aware of the operating procedures and policies within the work unit. Positions in this class are flexibly staffed and are normally filled by advancement from the 1 level.

SUPERVISION RECEIVED AND EXERCISED

Engineering Design Technician 1

Receives immediate supervision from the Project Manager.

Engineering Design Technician 2

Receives general supervision from the Project Manager.

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

Prepare and review technical designs, maps, drawings, visual aids, and graphic presentation materials related to District facilities projects; use manual or computerized methods to develop or revise engineering drawings during design and construction phases.

Perform technical design review including conceptual and detailed design review according to District standards and policies; issue rejection or will-serve notifications.

Using a variety of technical engineering software including computer aided design/drafting (CADD); maintain and make adjustments to the District's distribution system hydraulic model.

Maintain mapping and recording of the District's conveyance and distribution systems and related water facilities; identify and report problems with new and/or existing pipeline maintenance and construction.

Establish, maintain, and close out project files, including tract, commercial, single parcel and specification files according to District engineering standards; ensure compliance with project documentation requirements; prepare and maintain as-built drawings.

Provide database management of maps and records; add new layers, edit documents or make corrections as needed to document project and engineering/construction history and maintain District mapping records in an up-to-date status.

Create and run queries and prepare format output for various routine and special reports required by District departments; update programs and systems with patches and service pack releases provided by outsourced vendors.

Provide coverage at public counter, by telephone, electronic mail, or regular correspondence to inquiries from the general public, contractors, developers, land-owners, consultants, and other agencies or utilities regarding availability of and requirements for water service, fire flow and underground utility information.

Work with consultants and private engineers relative to the design of water project facilities; prepare estimates for connection fees and construction meter installation; prepare a variety of technical and narrative reports.

Conduct field site investigations; verify conditions, measurements, and conformity to specifications; locate public utility lines and confirm adequate fire flow pressures; perform survey work and prepare field sketches and notes.

Assist in the design and preparation of plans for new or expanded District buildings; prepare plan specifications or modifications and ensure compliance with building and design codes and regulations.

Provide training and mentoring for Engineering Interns.

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

Engineering Design Technician 1

Knowledge of:

Basic manual and computerized practices and methods used in civil engineering drafting, design, and mapping including CADD and GIS.

Principles of algebra, geometry, and trigonometry.

Basic surveying practices and related equipment.

Principles and practices of recordkeeping.

Computer software used in word processing, spreadsheet, and database applications.

English usage, spelling, punctuation, and grammar.

Principles and practices of good customer service.

Ability to:

Perform technical engineering support duties in the design, construction, and maintenance of the District's water distribution system and facilities improvement projects.

On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; research, identify and interpret technical and numerical information, including engineering calculations; observe and problem solve operational and technical policy and procedure; and explain regulations and procedures to others.

On a continuous basis, sit at desk for long periods of time; intermittently stand at counter; walk, bend, twist, squat, and kneel while performing field work; twist to reach office equipment surrounding desk; perform simple and power grasping, pushing, pulling and fine manipulation; use telephone and write or use a keyboard to communicate through written means; and lift or carry weight up to 25 pounds.

Perform mathematical calculations with speed and accuracy.

Use a variety of computer software to draft and design engineering plans, maps; charts, spreadsheets, and other related documents; maintain databases and records.

Maintain and update a variety of electronic and hardcopy files.

Learn District policies and procedures and engineering standards.

Learn principles and practices of property research, including boundary determination and land title examination.

Work outside under a variety of climatic and geographic conditions.

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:

No experience is required.

Training:

Equivalent to an Associate's degree from an accredited college with major course work in civil engineering, mathematics, database management or a related field.

License and Certificate

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

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Engineering Design Technician 2

In addition to the qualifications for the Engineering Design Technician 1:

Knowledge of:

Advanced engineering computer software applications such as CADD and GIS used in the design and monitoring of civil engineering construction and maintenance projects.

Property research and real property legal descriptions.

District policies and procedures, engineering standards, and pertinent local, State, and Federal laws, ordinances and rules.

Principles and practices of technical report writing and data presentation.

Ability to:

Independently perform technical engineering support duties in the design, construction, and maintenance of the District's water distribution system and facilities improvement projects.

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:

Two years of responsible journey experience performing duties similar to an Engineering Design Technician 1 with the Palmdale Water District.

Training:

Equivalent to an Associate's degree from an accredited college with major course work in civil engineering, mathematics, database management or a related field.

License and Certificate

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

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Approved:

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.

ENGINEERING TECHNICIAN 1
ENGINEERING TECHNICIAN 2

FLSA Status: Non-Exempt

DEFINITION

To perform technical engineering support duties in drafting/design, plan check review, mapping, engineering recordkeeping, and customer service inquiries related to the District's water distribution system and facilities improvement projects.

DISTINGUISHING CHARACTERISTICS

Engineering Technician 1 - This is the entry level class in the Engineering Technician series. Positions in this class typically have little or no directly related work experience and work under immediate supervision while learning job tasks. The Engineering Technician 1 class is distinguished from the 2 level by the performance of less than the full range of duties assigned to the 2 level. Incumbents work under immediate supervision while learning job tasks, progressing to general supervision as procedures and processes of assigned area of responsibility are learned.

Engineering Technician 2 - This is the journey level class in the Engineering Technician series and is distinguished from the 1 level by the assignment of the full range of duties. Employees at this level receive only occasional instruction or assistance as new, unusual or unique situations arise and are fully aware of the operating procedures and policies within the work unit. Positions in this class are flexibly staffed and are normally filled by advancement from the 1 level.

This class is distinguished from the Senior Engineering Technician in that the latter is an advanced journey level class responsible for highly complex technical engineering support duties and may provide technical and functional supervision over assigned staff.

SUPERVISION RECEIVED AND EXERCISED

Engineering Technician 1

Receives supervision from the Project Manager.

Engineering Technician 2

Receives supervision from the Project Manager.

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

Prepare and review technical designs, maps, drawings, visual aids, and graphic presentation materials related to District facilities projects; use manual or computerized methods to develop or revise engineering drawings during design and construction phases.

Perform technical design review including conceptual and detailed design review according to District standards and policies; issue rejection or will-serve notifications.

Using a variety of technical engineering software including computer aided design/drafting (CADD), produce and maintain maps via geographic information systems (GIS); maintain and make adjustments to the District's distribution system hydraulic model.

Plan checking CADD files.

Maintain mapping and recording of the District's conveyance and distribution systems and related water facilities; identify and report problems with new and/or existing pipeline maintenance and construction.

Establish, maintain, and close out project files, including tract, commercial, single parcel and specification files according to District engineering standards; ensure compliance with project documentation requirements; prepare and maintain as-built drawings.

Provide database management of maps and records; add new layers, edit documents or make corrections as needed to document project and engineering/construction history and maintain District mapping records in an up-to-date status.

Create and run queries and prepare format output for various routine and special reports required by District departments; update programs and systems with patches and service pack releases provided by outsourced vendors.

Respond at the public counter, by telephone electronic mail, or regular correspondence to inquiries from the general public, contractors, developers, land-owners, consultants, and other agencies or utilities regarding availability of and requirements for water service and fire flow.

Work with consultants and private engineers relative to the design of water project facilities; prepare estimates for connection fees and construction meter installation; prepare a variety of technical and narrative reports.

Conduct field site investigations; verify conditions, measurements, and conformity to specifications; locate public utility lines and confirm adequate fire flow pressures; perform survey work and prepare field sketches and notes.

Assist in the design and preparation of plans for new or expanded District buildings; prepare plan specifications or modifications and ensure compliance with building and design codes and regulations.

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.

Work outdoors in a variety of weather conditions.

MINIMUM QUALIFICATIONS

Engineering Technician 1

Knowledge of:

Basic manual and computerized practices and methods used in civil engineering drafting, design, and mapping including CADD and GIS.

Principles of algebra, geometry, and trigonometry.

Basic surveying practices and related equipment.

Principles and practices of recordkeeping.

Computer software used in word processing, spreadsheet, and database applications.

English usage, spelling, punctuation, and grammar.

Principles and practices of good customer service.

Ability to:

Perform technical engineering support duties in the design, construction, and maintenance of the District's water distribution system and facilities improvement projects.

On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; research, identify and interpret technical and numerical information, including engineering calculations; observe and problem solve operational and technical policy and procedure; and explain regulations and procedures to others.

On a continuous basis, sit at desk for long periods of time; intermittently stand at counter; walk, bend, twist, squat, and kneel while performing field work; twist to

reach office equipment surrounding desk; perform simple and power grasping, pushing, pulling and fine manipulation; use telephone and write or use a keyboard to communicate through written means; and lift or carry weight up to 25 pounds.

Perform mathematical calculations with speed and accuracy.

Use a variety of computer software to draft and design engineering plans, maps; charts, spreadsheets, and other related documents; maintain databases and records.

Maintain and update a variety of electronic and hardcopy files.

Learn District policies and procedures and engineering standards.

Learn principles and practices of property research, including boundary determination and land title examination.

Work outside under a variety of climatic and geographic conditions.

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:

No experience is required.

Training:

Equivalent to an Associate's degree from an accredited college with major course work in civil engineering, mathematics, database management or a related field.

License and Certificate

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

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Engineering Technician 2

In addition to the qualifications for the Engineering Technician 1:

Knowledge of:

Advanced engineering computer software applications such as CADD and GIS used in the design and monitoring of civil engineering construction and maintenance projects.

Property research and real property legal descriptions.

District policies and procedures, engineering standards, and pertinent local, State, and Federal laws, ordinances and rules.

Principles and practices of technical report writing and data presentation.

Ability to:

Independently perform technical engineering support duties in the design, construction, and maintenance of the District's water distribution system and facilities improvement projects.

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:

Two years of responsible journey experience performing duties similar to an Engineering Technician 1 with the Palmdale Water District.

Training:

Equivalent to an Associate's degree from an accredited college with major course work in civil engineering, mathematics, database management or a related field.

License and Certificate

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

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Approved:

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

CROSS CONNECTION CONTROL SPECIALIST

FLSA Status: Non-Exempt

DEFINITION

To perform a variety of technical duties related to the District's cross connection control program; to set up and maintain related accounts, reporting methods, and records; and to perform field inspections.

SUPERVISION RECEIVED AND EXERCISED

Receives supervision from the Project Manager.

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

Review water service applications to identify actual or potential cross connections; notify applicants regarding field testing requirements and perform follow up as necessary to ensure testing has occurred; review, and record test data.

Prepare and issue notices to customers, including monthly backflow prevention device test notices, notices of delinquency for failure to test backflow prevention devices, and water shut off for failure to test devices; grant extensions as appropriate; monitor, log, and file test reports.

Inspect new installations and record methods of backflow prevention used at specified locations; perform field investigations regarding discrepancies/inconsistencies on existing backflow prevention devices.

Ensure compliance with regulatory/required annual testing of backflow assemblies; set up schedules for testing and maintain related records and databases.

Conduct periodic water use surveys of residential, commercial, irrigation, industrial, multi-residential properties or accounts; identify cross connection and/or backflow issues that may impact the safety of the public water supply.

Work closely with other local and state agencies to ensure protection and safety of the District's water supply.

Work closely with other local and state agencies and perform cross-connection inspections on properties using recycled water.

Cross Connection Control Specialist

- 2 -

Review onsite recycled water plans prior to construction and assist other local agencies with inspections during installation process.

Conduct shut down test of onsite recycled water system along with the potable system.

Schedule and perform bi-yearly shut down test as required.

Respond to questions from the public, contractors, developers, consultants, and other interested parties regarding District rules and regulations related to cross connection control and backflow prevention.

Perform related duties as assigned.

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.

Work outdoors in a variety of weather conditions.

MINIMUM QUALIFICATIONS

Knowledge of:

Principles and practices of operation of hydraulic and mechanical systems used in water distribution systems.

Materials and equipment used in water service installation, maintenance, and repair, especially as related to cross connection control and use of backflow prevention devices.

Pertinent local, State, and Federal laws, ordinances and rules regarding protection of the public water supply.

Principles and practices of manual and computerized recordkeeping.

Computer software used in word processing, spreadsheet, and database applications.

Basic mathematical calculations.

English usage, spelling, punctuation, and grammar.

Principles and practices of good customer service.

Ability to:

Perform a variety of technical duties related to the District's cross connection control program.

On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; research, identify and interpret technical information; observe and problem solve operational and technical policy and procedure; and explain regulations and procedures to others.

On a continuous basis, sit at desk for long periods of time; intermittently stand at counter; walk, bend, twist, squat, and kneel while performing field work; twist to reach office equipment surrounding desk; perform simple and power grasping, pushing, pulling and fine manipulation; use telephone and write or use a keyboard to communicate through written means; and lift or carry weight up to 25 pounds.

Analyze results of backflow device field testing and take appropriate action.

Read and interpret technical drawings and specifications; make basic mathematical calculations.

Know, understand, and apply local, State, and Federal laws and regulations related to protection of the public water supply.

Prepare business correspondence including customer service notifications related to the cross connection control program.

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 mechanical aptitude with an understanding of hydraulics is necessary. A typical way to obtain the required knowledge and abilities would be:

Experience:

Cross Connection Control Specialist

- 4 -

Two years of responsible water utility construction or maintenance work including adjustment of mechanical control devices.

Training:

Equivalent to completion of the twelfth grade supplemented by specialized training in water treatment, waster distribution, meter testing and/or cross connection control or a related field.

License and Certificate

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

Possession of certification as a Cross-Connection Control Specialist as issued by the American Water Works Association or a Cross-Connection Control Specialist as issued by the American Backflow Prevention Association (ABPA).

A Site Supervisor class from Los Angeles County Sanitation District is required to be taken within one year of hire.

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Approved:

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

Employee Signature

Date

Supervisor Signature

Date

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PALMDALE WATER DISTRICT

PROJECT MANAGER

FLSA Status: Exempt

DEFINITION

To plan, organize, direct and supervise engineering construction inspection operations and to oversee engineering support and project management activities within the Engineering Department; and to perform a variety of technical tasks relative to assigned area of responsibility.

SUPERVISION RECEIVED AND EXERCISED

Receives general direction from the Engineering/Grant Manager.

Exercises direct supervision over Engineering staff.

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

Recommend and assist in the implementation of goals and objectives; establish schedules and methods for engineering construction inspection and engineering support and project management activities; implement policies and procedures.

Plan, prioritize, assign, supervise and review the work of staff involved in engineering construction inspection; oversee engineering design support and provide related project management.

Evaluate operations and activities of assigned responsibilities; recommend improvements and modifications; prepare various reports on operations and activities.

Participate in budget preparation and administration; prepare cost estimates for budget recommendations; submit justifications for staff, supplies, equipment, and services; monitor and control expenditure.

Participate in the selection of staff; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline procedures.

Oversee in-take and processing of designs, plans, and specifications for construction development of District structures, pipelines, and related facilities; review revisions and evaluate field construction inspection operations and decisions.

Serve as project manager for District capital improvements; review the processing of plan check and permitting work including environmental regulatory considerations; attend pre-construction meetings; approve progress payments, change orders; and ensure compliance with insurance requirements.

Ensure compliance with and understanding of intent of design and engineering processes.

Authorize notices to proceed and issue notices of completion; authorize progress and final payments.

Oversee scheduling and completion of field inspections related to major construction projects.

Answer questions and provide information to the public; investigate complaints and recommend corrective action as necessary to resolve complaints.

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 public works engineering construction.

Methods of preparing designs, plans, specifications, estimates, and reports related to water conveyance and distribution systems.

Methods, materials, and techniques used in the construction and design processing of public works engineering projects.

Principles and practices of supervision, training and performance evaluations.

Principles and practices of budget monitoring.

Principles and practices of safety management.

Pertinent local, State and Federal laws, ordinances and rules, including State and Federal environmental rules and regulations.

Ability to:

Organize, implement and direct engineering construction inspection operations and provide project management to technical design activities.

On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; identify and interpret technical and numerical information; observe and problem solve operational and technical policy and procedures.

On a continuous basis, sit at desk for long periods of time; intermittently walk, bend, or twist while in the field; intermittently 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 25 pounds.

Interpret and explain pertinent construction inspection and engineering processing and department policies and procedures.

Assist in the development and monitoring of an assigned program budget.

Develop and recommend policies and procedures related to assigned operations.

Supervise, train and evaluate assigned staff.

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:

Three years of increasingly responsible experience in public works facilities design and construction; including one year providing technical and functional supervision over assigned personnel.

Training:

Equivalent to the completion of the twelfth grade supplemented by college course work in civil engineering, construction management or a related field.

License and Certificate

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

Possession of a certificate of registration as a Professional Engineer in the State of California is highly desired.

Approved:

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

Employee Signature

Date

Supervisor Signature

Date

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PALMDALE WATER DISTRICT

WATER CONSERVATION AIDE

FLSA Status: Non-Exempt

DEFINITION

To assist with the planning, implementation and coordination of education, public information and community outreach activities for the District; to perform a variety of tasks related to water awareness in the community; and to assist in the implementation of conservation programs and documentation.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Deputy Water and Energy Resources Director.

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

Assist with planning, implementation and coordination of District water awareness programs, public information, and community outreach activities.

Assist in the coordination of special events.

Maintain information for up dating the conservation information from the District's web page.

Make presentations to classrooms and organized tours.

Assist in preparing the annual report on water awareness events.

Assist in the preparation and submission of grants to appropriate agencies.

Assist other District personnel in all phases of activities and operations as needed, including after-hours, on-call and other unusual times.

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:

Report preparation and analysis, including use of various personal computer applications such as word processing, spreadsheet, and database programs.

Modern office procedures, practices, and equipment, including use of a personal computer.

English usage, spelling, punctuation, and grammar.

Ability to:

Assist with planning, implementation and coordination of a variety of public information/community outreach activities.

Intermittently, review documents related to department operations; observe, identify and problem solve office operations and procedures; understand, interpret and explain department policies and procedures; explain operations and problem solve office issues for the public and with staff.

On a continuous basis, sit at desk and/or stand at counter for long periods of time; intermittently twist and reach office equipment; write and use keyboard to communicate through written means; run errands; lift or carry weight of 50 pounds or less.

Make educational presentations to groups of diverse customers, including varying ethnic groups, children, employees or other organizations.

Assist in developing and implementing sponsorship packages, including solicitation of sponsors for water conservation events.

Analyze reports and special projects; prepare routine reports and correspondence.

Perform general clerical work, including maintenance of appropriate records and preparation of general reports; verify and check files and data.

Perform simple arithmetic calculations.

Operate a variety of office equipment, such as a calculator, computer and related software.

Type at a speed necessary for successful job performance.

Prioritize work and meet required deadlines.

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:

Two years developing and participating in community outreach programs, including development and implementation of sponsorship programs.

Training:

Equivalent to the completion of the twelfth grade.

License and Certificate

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

Possession of, or ability to obtain, within one year of appointment, a Grade I Water Conservation Practitioner Certificate issued by the American Water Works Association (AWWA).

Approved:

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

Employee Signature

Date

Supervisor Signature

Date

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PALMDALE WATER DISTRICT

FIELD CUSTOMER CARE REPRESENTATIVE II WATER RESOURCES/CONSERVATION

FLSA Status: Non-Exempt

DEFINITION

Perform a variety of field customer care related activities for both internal and external customer requests which include water waste notices, turn on/off services, verifying the accuracy of water meter reads, leak at meter, water conservation data collection, verifying the accuracy of meter and related equipment and to interact with the public in the course of field activities.

DISTINGUISHING CHARACTERISTICS

Position receives only occasional instruction or assistance as new, unusual or unique situations arise and are fully aware of the operating procedures and policies within the work unit.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Deputy Water and Energy Resources Director.

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

Perform equipment calibration and pressure checks.

Distribute and place door hanger tags as notification regarding water waste, scheduled and/or emergency shut-offs.

Handle and report findings for various work order requests such as: confirm accuracy of water meter registration/consumption readings; check for leaks, emergency repair shut offs, and verifying meter and/or radio unit is working properly.

Turn on/off water service per authorized instructions; shut off and lock service; remove meters as directed.

Locate valves and isolation valves.

First responder to hotline calls.

Perform water audits.

Assist with tours, educational presentations and water conservation event set up.

Obtains readings for water conservation, meter numbers, measurements and pictures for "Cash for Grass".

Documents and photographs water waste.

Interacts with the public while in the field; receive, record, and report complaints or concerns; follow up as needed and refer to other District staff as appropriate.

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

Perform related duties as assigned.

MINIMUM QUALIFICATIONS

Knowledge of:

Basic principles of arithmetic, including addition, subtraction, multiplication, division, and percentages.

Basic practices and methods of record keeping.

Advanced customer interaction.

Advanced knowledge of Excel.

Repair and installation of utility meters and meter reading devices and related equipment.

How to use hunter scale and/or GIS system to find service line, meters and/or shut off valves in street to be able to isolate a service.

Water conservation best practices

Ability to:

Perform a variety of field customer care activities related to the installation, repair, and calibration of water meters.

Perform angle stop replacement.

Field Customer Care Representative 2

Water Resources/Conservation

- 3 -

On a continuous basis, know and understand operations and observe safety rules; intermittently analyze problem situations and/or equipment; identify and locate site locations; interpret work orders, remember equipment location, and explain job to others.

Intermittently, sit while studying or preparing reports and/or driving; bend, squat, kneel, twist, and walk long distances when performing field duties; perform simple and power grasping, pushing, pulling, and fine manipulation; and lift or carry weight up to 50 pounds.

Learn geography and street/road locations within the District's jurisdiction.

Learn to use a computer to access customer care database system for performing work orders in the field and to retrieve and enter data.

Deal tactfully with customers encountered in the field.

Work outdoors in a variety of weather conditions.

Work assigned shift schedules; be available for call back.

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:

Two years of responsible experience similar to a Field Customer Care Representative 1 with the Palmdale Water District.

Training:

Equivalent to completion of the twelfth grade.

License and Certificate

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

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Possession of, or ability to obtain, within one year of appointment, a Grade I Water Conservation Practitioner Certificate issued by the American Water Works Association (AWWA).

Approved:

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

MANAGEMENT ANALYST (Water and Energy Resources)

FLSA Status: Non-Exempt

DEFINITION

To perform technical level administrative and/or program related duties in assistance to District's Departments or divisions; to research, collect, and analyze data and prepare draft reports; to provide some highly responsible administrative duties in support of the Department heads and supervisors.

SUPERVISION RECEIVED AND EXERCISED

Receives general supervision from the Deputy Water and Energy Resources Director.

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

Respond to requests for documentation related to assigned area of responsibility; explain and interpret assignment area policies and procedures to internal or external customers.

Perform technical and paraprofessional duties related to area of assignment including interpreting, analyzing, and determining compliance or acceptance of information and materials; prepare reports to document results of duties performed. Review, verify and process documents related to department activities including budgets, contracts, grants, claims, legislation, and other specialized documents based on area of assignment. Track, plan and oversee an energy program evaluating opportunities to reduce power costs associated with delivering and treating water. Monitor water production goals and evaluate data to ensure goals are being met.

Prepare various reports on operations and activities of assigned departments; provide historical data on water resources, water production and pumping, and alternative energy usage.

Provide or coordinate staff training.

Coordinate with District regulators regarding scheduled maintenance; coordinate with other utilities and agencies about energy needs and programs.

Answer questions and provide information to the public; investigate complaints and recommend corrective action as necessary to resolve complaints.

Assist professional staff in performing and conducting studies, special projects, administrative and technical functions; perform data collection and analysis; prepare draft reports, forecasting spreadsheets and technical documents.

Ensure areas of responsibilities are in compliance with related agreements, contracts, laws, codes, ordinances, and legislation; advise staff of any irregularities in compliance.

Maintain accurate and complete records on water production and energy consumption. Establish and maintain a wide variety of filing and reporting systems as necessary; develop record keeping procedures; provide relevant information to relevant parties; prepare and type correspondence, and compile and type reports.

Compile and develop information for special studies and regulatory reporting from a variety of resources; assist with various special projects, including coordination, research and development of systems.

Assist with maintenance and implementation of new software technologies and systems; assists in design and development of report formats to meet management information needs.

Assist supervisor with a variety of administrative operations and prepare or recommend procedural modifications.

Coordinate and assist in the development and administration of a department or division budget; prepare budget reports; compile annual budget requests; monitor and control expenditures; and, track and reconcile invoices. Prepare cost estimates for budget recommendations; submit justifications for materials, equipment and supplies; monitor and control expenditure.

Independently respond to letters, electronic mail, and general correspondence based on areas of assignment.

May perform a wide variety of complex, responsible, secretarial and administrative duties for executive staff and other management personnel; provide routine analytical support.

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 administrative and/or technical area to which assigned including, but not limited to, treatment plant and distribution system processes, claims, legislation, budget, grants, and personnel.

Principles and practices of intermediate analytical research methods, project coordination, training, budget monitoring, safety management, and report writing techniques.

Modern office equipment, procedures computer hardware, and software, including word processing, database, spreadsheet and accounting applications.

Techniques and principles of effective written and oral communication.

Pertinent local, State and Federal laws, codes, ordinances, District functions, policies, rules and regulations.

General functions and objectives of governmental utility services.

English usage, basic mathematical calculations and statistical methods.

Advanced knowledge of excel spreadsheets.

Ability to:

Perform technical level administrative and/or program related duties.

On a continuous basis, know and understand all aspects of the job; intermittently review documents related to department or division operations; analyze work papers, reports and special projects; identify and interpret technical and numerical information; observe, identify and problem solve office operations and procedures; understand, interpret and explain policies and procedures; explain operations and problem solve office issues for the public and with staff; observe and problem solve operational and technical policy and procedures.

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

Operate a personal computer utilizing spreadsheet, word processing and database software at an intermediate to advanced level.

Interpret and explain pertinent water system construction, installation, repair, and maintenance practices and department policies and procedures.

Perform independent research in carrying out technical administrative and technical duties.

Collect, compile, analyze and present a variety of data in a meaningful way.

Develop and implement various data collection and reporting systems.

Review budget submissions and revisions for mathematical and accounting accuracy. Assist in the development and monitoring of an assigned program budgets.

Understand District policies and practices to objectively analyze situations to determine proper course of action.

Understand and interpret complex policies, procedures and regulations of outside agencies as necessary to assume assigned technical responsibilities.

Obtain information through interview; handle multiple project assignments; deal firmly and courteously with the public.

Analyze situations quickly and objectively to determine proper course of action.

Coordinate the development and monitoring of an assigned program project budget; project, track and reconcile expenses, schedule appropriate staff training.

Compose professional quality correspondence; write highly detailed technical and analytical reports.

Maintain a high level of confidentiality of a wide range of sensitive information.

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

Communicate clearly and concisely, both orally and in writing.

Experience and Training

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

Experience:

Three years of responsible administrative support or technical experience preferably in the subject area to which assigned. One year of lead supervisory experience is highly desirable.

Education:

Associate's degree from an accredited college with major course work in Public Administration, Business Administration, or a related field based on area of assignment.

License and Certificate

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

May be required to obtain special certifications, depending on area of assignment.

Approved:

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

Employee Signature

Date

Supervisor Signature

Date

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PALMDALE WATER DISTRICT

PUBLIC AFFAIRS SPECIALIST

FLSA Status: Exempt

DEFINITION

To perform a variety of duties related to the development and preparation and implementation of strategic internal and external communications, public information and customer and community relations activities to build trust and support for Palmdale Water District programs, projects, policies and goals, to protect and enhance Palmdale Water District's image and reputation, and to represent Palmdale Water District's interests to customers, community groups, employees, new media, elected officials and other stakeholder groups. Prepares informational materials for dissemination through a variety of media; fosters relationships with and builds trust among key stakeholders to communicate and garner support for Palmdale Water District's short and long-term communication goals; and performs and garners support for Palmdale Water District's short and long term communication goals; and performs related duties as required.

DISTINGUISHING CHARACTERISTICS

Positions in this class typically have little or no directly related work experience and work under immediate supervision while learning job tasks progressing to general supervision as procedures and processes of assigned area of responsibility are learned.

SUPERVISION RECEIVED AND EXERCISED

Receives immediate supervision from the Public Affairs and Sustainability Director.

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

Works closely with subject matter experts and reviews technical materials and government documents to gather, fact-check and synthesize information for the development of materials about Palmdale Water District's programs, projects, policies and goals; customizes tone and approach of messages for a variety of audiences, as directed; coordinates the distribution of such information and communications through a variety of methods including web, publications, advertising, media relations, social media, internal and external contacts and others.

Create original content for Palmdale Water District's websites, publications and social media; plan, write, edit and produce annual reports, fact sheets, brochures, bill inserts, newsletters, speaker notes, news releases, editorials, articles, advertising, social media posts, scripts, audio and video recordings, films, slide shows, exhibits and other informational materials.

Takes photographs and shoots video for Palmdale Water District's use for web, publications, advertising, media relations and social media; selects images for a broad range of communications; updates photo library as directed.

Monitors and tracks internal developments and external news and trends to anticipate questions, forecast changes, and prepare informational materials for stakeholders; responds as directed to issues generated by or affecting Palmdale Water District's image, reputation, policies, programs, projects and goals.

Obtains information from internal subject matter experts, technical materials or official documents to answer a wide range of public inquiries and explains and represents Palmdale Water District programs, projects, policies and goals, as directed.

Assists in producing media events and coordinating logistics and creating informational materials for press conferences, editorial board visits, studio interviews and other events. Coordinates and guides media representatives attending Palmdale Water District sponsored events, meetings and site visits.

Conducts on-the-record media interviews as directed.

Under direction, creates, edits, monitors and posts social media content; responds to inquiries and commentary on social media per Palmdale Water District guidelines; edits and fact-checks social media content created by staff.

Fosters relationships with customer, community, employee, news media and other stakeholder groups to protect Palmdale Water District's image and reputation and build trust and support for programs, projects, policies and goals.

Work irregular hours to respond to media inquiries and attend local community meetings.

Performs other related duties and responsibilities as required.

MINIMUM QUALIFICATIONS

Knowledge of:

English grammar, composition, spelling, punctuation, and vocabulary.

Principles, techniques, and methods of public information and strategic communications.

Local and state government functions, organization, and procedures.

Elements of the functions and workings of local government.

Effective use of public information channels including websites, publications, news and social media.

Principles and techniques of evaluating public opinion and community interests.

Techniques to communicate with general audiences.

Photographic techniques.

Graphic arts and printing methods, materials, and terminology.

Techniques of working with the public on an individual or group basis.

Ability to:

Write, edit and proofread effective informational material for a variety of audiences in a variety of media

Orally communicate effectively to individuals and small and large groups.

Express complex technical subjects using simple language and images to lay persons.

Prepare, evaluate, and disseminate public information.

Understand government documents, technical reports and water jargon.

Develop and maintain effective working relationships with Palmdale Water District staff, news media and other stakeholder groups.

Work effectively on several concurrent assignments under deadline in unpredictable environments.

Use sound judgment in the preparation and dissemination of information.

Must have visual acuity to read written materials in print and on the computer.

Must have hearing sufficient to communicate in person and on the telephone.

Sufficient physical mobility to conduct tours of Palmdale Water District facilities.

Physical capacity to sit for long periods of time.

On a continuous basis, sit at desk for long periods of time; intermittently stand, walk, bend, twist, squat, and kneel while performing field work; twist to reach office equipment surrounding desk; perform simple and power grasping, pushing, pulling and fine

manipulation; use telephone and write or use a keyboard to communicate through written means; and live or carry weight up to 25 pounds.

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:

A minimum of two years experience in public and media relations or communications.

Training:

Major coursework in journalism, communications, marketing, public relations, graphic design, or a related field.

License and Certificate:

Possession of, or ability to obtain, a valid California driver's license. Must have a driving record acceptable to the District.

Approved:

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

PUBLIC AFFAIRS AND SUSTAINABILITY DIRECTOR

DEFINITION

To plan, implement, and coordinate public information and water education programs for the Palmdale Water District; and perform a variety of professional and highly technical tasks relative to the community, communications, water conservation and public relations. To act as the agency spokesperson in dealing with the media and community groups. Responsible for developing, implementing and evaluating water conservation programs and measures and supervision of the Water Conservation Department.

SUPERVISION RECEIVED AND EXERCISED

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

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

Manages the activities of the Public Outreach Unit. Establishes the workflow surrounding all District publications, electronic media, outreach at community events, school and adult education programs.

Manages media information; serves as District spokesperson with print & electronic media; establishes and maintains a portfolio of media contacts, prepares or directs the preparation of news releases, opinion pieces, letters to the editor, rebuttals, and other communications to explain and promote the District's programs, activities, and position; consults with the Board, General Manager, Assistant General Manager and other District staff concerning methods for communicating the District's mission and position.

Plans and manages community outreach and activities; networks with other water district to develop and coordinate public outreach messages and advocacy on behalf of the Board.

Monitors state and federal legislation and regulatory issues; ensures legislators are apprised of District activities and events affecting their constituents. Provides input and commentary on legislation as authorized by the Board, alerts management as to issues and opportunities (eg: grants) rising from legislative or regulatory actions.

Responds to requests for information from the public, media, and legislators' staff; interprets and communicates complex issues and technical data to others with limited technical knowledge of the subject matter.

Directs and participates in the development of the District publications program including informational brochures, flyers, reports, videos, and multi-media presentations; designs and prepares written materials including speeches, letters, and articles for use by the Board and other District managers.

Develops strategic partnerships with other government agencies and private sector entities in communicating areas of common interest to the public using a variety of media or activities.

Interviews and recommends selection of candidates; establishes performance expectations and performance standard for the division; oversees plans and actions for employee development; prepares and conducts employee evaluations; conducts informal counseling on work issues; prepares documentation and improvement plans to address work performance problems/deficiencies, and recommends and implements approved disciplinary actions.

Develops effective working relationships with legislative staff, local public officials, and civic groups; promotes and presents the District's interests and position.

Reads and remains current on breakthroughs in communications technologies, water, politics and emerging issues related to the long-term sustainability of the District operations and policies.

Supervise and participate in the development and administration of the Water Conservation budget.

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

Develop and implement systems, policies and procedures for the crisis communication program.

Represent the District to outside organizations and committees and provide staff assistance to these respective groups.

Act as the Public Information Officer for the District's Emergency Response Plan.

Responsible for updating and maintaining the content of the District website.

Build and maintain positive working relationships with co-workers, other District employees and the public.

Perform related duties as assigned.

MINIMUM QUALIFICATIONS

Knowledge of:

Principles and practices of community and public relations, advertising, and design.

Media relations, promotional writing and collateral development.

Desktop publishing software and design.

Possess excellent interpersonal communication skills.

Ability to

Analyze communication issues and special projects related to public relations.

Identify and interpret technical and numerical information.

Organize, implement and direct community and public relations operations and activities.

Conduct training classes for District staff in the area of crisis communication.

Interpret and explain pertinent PWD and departmental policies and procedures.

Develop and monitor a public relations and media relations budget.

Develop and recommend policies and procedures related to public relations activities.

Establish and maintain effective working relationships with those contacted in the course of work including District staff and the general public.

Develop brand and image.

On a continuous basis, sit at desk and in meetings for long periods of time; intermittently twist to reach office equipment; walk and stand in office and at public counter; bend and kneel while retrieving files; perform simple grasping and fine manipulation; use telephone; write and use keyboard to communicate through written means; run errands; and lift and carry up to 25 pounds.

Use a computer, Microsoft Office Suite and desk-top publishing software.

Communicate clearly and concisely, both orally and in writing.

Hear normal conversation sufficient to accomplish duties, in person and/or on the telephone; vision must be sufficient to accomplish the duties of the position which may include operating a District vehicle.

Sit for prolonged periods of time; manual dexterity must be sufficient to accomplish the duties of the position; lift, carry, push, pull 25 pounds; set up displays and presentations.

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:

A minimum of five years experience in public and media relations, communications and crisis management.

Training:

A bachelor's degree or equivalent from an accredited college or university with major course work in business administration, public relations, public administration or a related field.

License and Certificate:

Possession of, or ability to obtain, a valid California driver's license. Must have a driving record acceptable to the District.

Membership in the Public Relations Society of America.

Approved:

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 the job description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.

PALMDALE WATER DISTRICT

PURCHASING TECHNICIAN

FLSA Status: Non-Exempt

DEFINITION

To plan and organize the District's warehouse and service functions and functions associated with receiving, warehousing, and distribution of supplies, parts, and equipment; to establish and manage inventory control and warehousing systems; and to do related work as required.

Ensures that the District has or can get the materials necessary to keep the water system functioning properly. This position is also responsible for satisfying the supply needs of various District departments.

SUPERVISION RECEIVED AND EXERCISED

Receives supervision from the Construction Supervisor.

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

Receiving Functions:

Receive materials and supplies at the District's warehouse; inspect shipments for damage and conformance to invoice, and packing list; offload and store materials received using forklift or other equipment; return defective materials; notify and /or deliver to appropriate persons when shipments are received.

Establishes and oversees an inventory control system for materials, supplies, parts, all small equipment required for the efficient operation of the District.

Develops procedures for the requisition, acquisition, warehousing, and distribution of supplies and equipment.

Contacts vendors regarding prices, discounts, product availability, deliveries and product problems.

Issues and delivers materials, equipment and supplies.

Load, unload, assemble and deliver requested materials from warehouse to offices and job sites.

Purchasing Technician

- 2 -

Maintains current information on trends and practices in public purchasing.

Maintains shipping/receiving and other records of materials in the warehouse and enter data into computerized inventory control data base as needed.

Assist in purchasing a variety of routine and non-routine items; contact vendors concerning price and availability of materials, parts, and equipment; solicit informal bids and quotes and select or recommend vendor selection; place approved orders with vendors.

Participate in all phases of District-wide activities and operations as assigned, including after-hours, on-call, and at other unusual times.

Assists other District personnel in all phases of activities and operations as needed, including after-hours, on-call, and at other unusual times.

Service and Warehouse Functions:

Plans and organizes the receiving, warehousing, and distribution of District supplies, parts, and equipment.

Plans, organizes, and documents all small meter, angle stop and meter box repair/replacement programs.

Establish and maintain proper inventory levels through use of a computerized inventory system which includes inventory related to emergency preparedness.

Reviews invoice of asphalt cuts, ensures accuracy, and submits for payment when completed.

Enters and updates material cost data and inventory levels onto computer.

Verify the accuracy of shipments, and report problems and discrepancies to District management.

Operates warehouse equipment in connection with the receipt, storage, and issue of materials.

Reviews requisitions and issue ordered materials.

Conducts periodic inventories of warehouse stock; including end-of-year inventory count and balancing to general ledger.

Operates a vehicle to pick-up items purchased and deliver materials and equipment to field personnel as requested.

Cleans and organizes the warehouse and facility yards, keeping all materials properly stored and organized for systematic distribution.

Assists in the repairs and maintenance of any and all aspects of the District's water distribution system as requested.

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.

Work outdoors in a variety of weather conditions.

MINIMUM QUALIFICATIONS

Knowledge of:

Principles, procedures, and practices related to the purchasing of materials and equipment for the District.

Proper methods for the development of specifications, preparation of bid packages, and securing proposal requests.

Inventory control and warehousing methods.

Methods used in receiving, inspecting, and storing materials and equipment.

Safety practices and regulations.

Ability to:

Organize, coordinate, and direct the receiving, storage, and distribution of merchandise, equipment, and other items.

Receive, inspect, and issue supplies and equipment.

Use computer systems and software applicable for the receiving, warehousing, inventory, and distribution of equipment and supplies.

Operate a computer terminal and computer keyboard with accuracy; and enter and retrieve information from a computerized inventory control system.

Use and operate computer and related office equipment.

Conduct physical inventories.

Operate District owned vehicles and warehouse equipment.

On a continuous basis, know and understand the operations; observe safety rules; intermittently, analyze problem equipment, identify and locate necessary parts and supplies; interpret work orders; remember location of parts; and explain operations to others.

Intermittently, sit while preparing reports; bend, squat, climb, kneel and twist while stocking parts and checking inventory; perform simple and power grasping, pushing, pulling, and fine manipulation; use telephone, and write or use keyboard to communicate through written means; and lift or carry weight up to 50 pounds. Stand for prolonged periods of time to include frequent twisting, kneeling, stretching, bending, stooping, crouching, crawling, climbing, and squatting.

Works in an environment with exposure to dust, dirt, and significant temperature changes between cold and heat.

Operate a variety of common hand and power tools and materials handling equipment, including a forklift.

May work outdoors in a variety of weather conditions; be available for call back.

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:

Two years of responsible experience in performing receiving, storage, and inventory work in warehouse operations. Experience in a water utility is highly desirable. Knowledge and ability to use Microsoft Word and Excel.

Training:

Equivalent to the completion of the twelfth grade.

License and Certificate

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

Possession of a Distribution Operator Grade 1 Certificate as issued by the State Water Resources Control Board.

Possession of a Distribution Operator Grade 2 Certification as issued by the State Water Resources Control Board, is desired.

Approved:

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

Employee Signature

Date

Supervisor Signature

Date

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PALMDALE WATER DISTRICT

PLANT OPERATOR 1 PLANT OPERATOR 2 PLANT OPERATOR 3

FLSA Status: Non-Exempt

DEFINITION

To perform a variety of skilled duties related to the continuous maintenance and operation of the water treatment plant.

Plant Operator 3:

Under the direction of the operation Manager plans, organizes and directs water treatment plant maintenance within the Operations department; and performs a variety of technical tasks relative to assigned area of responsibility. Functions as the Chief Plant Operator and fills in for the Operations Manager when assigned.

DISTINGUISHING CHARACTERISTICS

Plant Operator 1 - This is the entry level class in the Plant Operator series. Positions in this class typically have little or no directly related work experience and work under immediate supervision while learning job tasks. The Plant Operator 1 class is distinguished from the 2 level by the performance of less than the full range of duties assigned to the 2 level. Incumbents work under immediate supervision while learning job tasks, progressing to general supervision as procedures and processes of assigned area of responsibility are learned.

Plant Operator 2 - This is the journey level class in the Plant Operator series and is distinguished from the 1 level by the assignment of the full range of duties. Employees at this level receive only occasional instruction or assistance as new, unusual or unique situations arise and are fully aware of the operating procedures and policies within the work unit. Positions in this class are flexibly staffed and are normally filled by advancement from the 1 level.

Plant Operator 3 - This is the advanced journey level class in the Plant Operator series and is distinguished from the 1 level and 2 level by the assignment of the full range of duties. Employees at this level receive limited instruction or assistance as new, unusual or unique situations arise and are fully aware of the operating procedures and policies within the work unit. Employees at this level provide guidance and task distribution to Level 1 and Level 2 employees. Positions in this class are flexibly staffed and are normally filled by advancement from the 2 level.

SUPERVISION RECEIVED AND EXERCISED

Plant Operator 1

Receives task supervision from the Plant Operator III; receives general supervision from the Operations Manager.

Plant Operator 2

Receives task supervision from the Plant Operator III; receives general supervision from the Operations Manager; may exercise technical and functional supervision over Plant Operator 1.

Plant Operator 3

Receives supervision from the Operations Manager; exercises technical and functional supervision over Plant Operator 1 and Plant Operator 2.

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

Manually and/or remotely operate SCADA (Supervisory Control and Data Acquisition) computer equipment to control and monitor flow of water treatment and processing of chemicals through the treatment plant and water distribution system; monitor gauges and meters and record instrument readings; maintain daily and other logs.

Observe variations in operating conditions; interpret computer, meter and gauge readings; check, standardize and calibrate instruments, analyzers and chemical feed pumps; start and stop electric driven pumps and motors to control and adjust flow and treatment processes.

Perform basic maintenance and repair of treatment plant equipment.

Perform standardized water quality control tests.

Follow procedures for receiving, recording, and store all deliveries, including chemical deliveries in accordance with accepted safety standards and requirements.

Oversee sludge pond operation including monitoring of removal and transfer of sludge, as assigned.

Inspect mechanical equipment for proper working order and prepare/submit work orders for mechanical and/or electrical maintenance attention; perform routine maintenance work as necessary.

Participate in preparation of reports to various external regulatory agencies and District divisions and departments.

Maintain records and documentation; respond to customer questions and complaints regarding water quality.

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.

Plant Operator III specialized job duties:

Recommend and assist in the implementation of goals and objectives; establish schedules and methods for water treatment plant maintenance activities; Follows policies and procedures.

Plan, prioritize, assign, direct and review the work of staff involved in water treatment plant maintenance activities.

Assists Operations Manager in activities of assigned responsibilities; recommend improvements and modifications; prepare various reports on operations and activities.

Participate in budget preparation and administration; prepare cost estimates for budget recommendations; submit justifications for staff, supplies, equipment, and services; monitor and control expenditure.

Provides or coordinate staff training; work with employees to correct deficiencies under the direction of Operations Manager.

Review treatment plant operations and logs/reports to ensure compliance with regulatory requirements; take corrective action as necessary and prepare related reports. As assigned or required in absence of Operations Manager.

Provide trouble shooting expertise relative to difficult mechanical, hydraulic, and chemical operation of the treatment plant and related facilities.

Develop and recommend operating protocols for additional/new plant equipment and processes.

Assist Operations Manager to ensure that regular and special reports are prepared and submitted to management to meet a variety of regulatory requirements.

Authorize purchase of and ensure safe storage of materials, supplies, and parts needed to perform treatment plant/maintenance operations.

Work closely with water quality laboratory staff relative to raw water and finished water samples; modify sampling and treatment plant testing procedures as needed.

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 such as emergency shift work coverage.

MINIMUM QUALIFICATIONS

Plant Operator 1

Knowledge of:

Operating characteristics of a water treatment plant facility including SCADA automated control system, and use of pumps, gauges, and chemical feeds.

Principles, practices, and regulations related to operating a water treatment plant and related facilities.

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

Safety practices and procedures related to area of assignment.

Computer use in record keeping and reporting methods.

Arithmetic computations including calculation of percentages, decimals, and fractions.

Ability to:

Perform a variety of skilled duties related to the continuous operation of a water treatment plant.

On a continuous basis, know and understand operations, and observe safety rules; intermittently analyze problem processes and equipment; identify and locate equipment; interpret work orders; remember equipment location; and explain jobs to others.

Intermittently, sit while studying or preparing reports; bend, squat, climb, kneel and twist when reviewing operation of treatment plant and performing basic maintenance; perform simple and power grasping, pushing, pulling, and fine manipulation; and lift or carry weight up to 50 pounds.

Perform routine laboratory tests and analysis; determine chemical and physical characteristics of raw, settled, filtered, and finished water.

Use a computer to maintain required records and documentation; respond to customer questions and complaints.

Use various hand and power tools to perform basic mechanical maintenance.

Operate light mechanical equipment such as skip loaders, backhoes and front end loaders, as needed.

Work assigned shift schedules; be available for call back.

Work outdoors in a variety of weather conditions.

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:

Two years of responsible experience in a water utility performing maintenance and repair of mechanical equipment.

Training:

Equivalent to the completion of the twelfth grade.

License and Certificate

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

Possession of a Water Treatment Operator Grade 2 Certificate as issued by the State Water Resources Control Board.

Possession of a Distribution Operator Grade 2 Certificate as issued by the State Water Resources Control Board is desired.

Plant Operator 2

In addition to the qualifications for the Plant Operator 1:

Knowledge of:

Principles, practices, and regulations related to operating a water treatment plant and related facilities in accordance with the scope of duties allowed by a Water Treatment Plant Operator Grade 3.

Ability to:

Perform water treatment plant operations/activities as provided within the scope of a Water Treatment Plant Operator Grade 3.

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:

Two years of responsible journey experience performing duties similar to a Plant Operator 1 with the Palmdale Water District.

Training:

Equivalent to the completion of the twelfth grade.

License and Certificate

Possession of, or ability to obtain, a valid California driver's license.

Possession of a Water Treatment Operator Grade 3 Certificate as issued by the State Water Resources Control Board.

Possession of a Distribution Operator Grade 3 Certificate as issued by the State Water Resources Control Board is desired.

Plant Operator 3

In addition to the qualifications for the Plant Operator 2:

Knowledge of:

Principles, practices, and regulations related to operating and maintaining a water treatment plant and related facilities in accordance with the scope of duties allowed by a Water Treatment Plant Operator Grade 4.

Equipment, tools and materials used in water treatment operations and maintenance activities.

Current and emerging water issues and regulation.

Principles of budget monitoring.

Principles and practices of safety.

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

Ability to:

Assist Operations Manager to Organize, implement and direct water treatment plant and related maintenance operations/activities.

On a continuous basis, know and understand all aspects of the job; intermittently analyze work papers, reports and special projects; identify and interpret technical and numerical information; observe and problem solve operational and technical policy and procedures; explain regulations, policies, and procedures.

On a continuous basis; intermittently 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 50 pounds.

Interpret and explain pertinent District and department policies and procedures.

Assist in the development and monitoring of an assigned program budget.

Assist in the development and recommend policies and procedures related to assigned operations.

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:

Three years of responsible journey experience performing duties similar to a Plant Operator 2 with the Palmdale Water District.

Training:

Equivalent to the completion of the twelfth grade supplemented by college course work in environmental practices, 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 4 Certificate as issued by the State Water Resources Control Board.

Possession of a Distribution Operator Grade 4 Certificate as issued by the State Water Resources Control Board is desired.

Possession of a Water Treatment Operator Grade 5 Certificate as issued by the State Water Resources Control Board is desired.

Approved:

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:	July 7, 2016	July 13, 2016
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Bob Egan, Financial Advisor	
RE:	<i>AGENDA ITEM NO. 7.1 – STATUS REPORT ON CASH FLOW STATEMENT AND CURRENT CASH BALANCES AS OF MAY, 2016.</i>	

Attached is the Investment Funds Report and current cash balance as of May 31, 2016. The reports will be reviewed in detail at the Board meeting.

PALMDALE WATER DISTRICT
INVESTMENT FUNDS REPORT
May 31, 2016

					May 2016	April 2016
CASH						
1-00-0103-100	Citizens - Checking				89,300.49	338,662.73
1-00-0103-200	Citizens - Refund				-	439.25
1-00-0103-300	Citizens - Merchant				129,087.46	34,370.58
Bank Total					218,387.95	373,472.56
1-00-0110-000	PETTY CASH				300.00	300.00
1-00-0115-000	CASH ON HAND				5,400.00	5,400.00
TOTAL CASH					224,087.95	379,172.56
INVESTMENTS						
1-00-0135-000	Local Agency Investment Fund			Acct. Total	11,790.36	11,790.36
1-00-0120-000	UBS Money Market Account General (SS 11469)					
	UBS RMA Government Portfolio				4,104,559.65	2,975,356.71
	UBS Bank USA Dep acct				250,000.00	250,000.00
	Accrued interest				7,390.24	7,099.08
					4,361,949.89	3,232,455.79
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
912828SJ0	US Treasury Note	02/28/2017	0.87	1,000,000	1,001,410.00	1,002,270.00
				1,000,000	1,001,410.00	1,002,270.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	Safra National Bank	08/16/2016	0.60	240,000	240,100.80	240,062.40
2	First Bank PR	11/07/2016	0.80	240,000	240,242.40	240,208.80
3	Compass Bank	02/07/2017	0.95	240,000	240,482.40	240,369.60
4	GE Cap Retail Bank	04/27/2017	1.84	200,000	201,512.00	201,542.00
5	Discover Bank	05/02/2017	1.74	240,000	242,073.60	242,136.00
6	Merrick Bank	06/12/2017	1.00	100,000	100,317.00	100,299.00
7	Level One Bank	06/19/2017	0.65	101,000	101,215.13	101,185.84
8	GE Cap Retail Bank	06/22/2017	1.78	200,000	202,158.00	202,232.00
9	Capitol One Bank	08/14/2017	1.19	240,000	241,080.00	240,984.00
10	Triumph Bank	09/26/2017	0.80	200,000	200,636.00	200,488.00
11	MB Finl Bank	10/26/2017	0.85	200,000	199,940.00	199,716.00
				2,201,000	2,209,757.33	2,209,223.64
Acct. Total					7,573,117.22	6,443,949.43
1-00-1110-000	UBS Money Market Account Capital (SS 11475)					
	UBS Bank USA Dep acct				7.56	7.56
	UBS RMA Government Portfolio				-	-
Acct. Total					7.56	7.56
1-00-0125-000	UBS Access Account General (SS 11432)					
	UBS Bank USA Dep acct				229,550.45	224,043.84
	UBS RMA Government Portfolio				-	-
	Accrued interest				17,539.08	16,762.68
					247,089.53	240,806.52
US Government Securities						
CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value	Market Value
3133EDMN9	FFCB Bond	06/02/2016	0.37	1,000,000	1,000,000.00	1,000,070.00
912828KD1	US Treasury Note	02/15/2019	2.62	1,500,000	1,571,430.00	1,577,460.00
912828P53	US Treasury Note	02/15/2019	0.75	1,000,000	993,670.00	996,060.00
				3,500,000	3,565,100.00	3,573,590.00
Certificates of Deposit						
	Issuer	Maturity Date	Rate	Face Value		
1	Goldman Sachs Bk	11/07/2016	1.00	240,000	240,501.60	240,511.20
2	CIT Bank	11/06/2017	1.60	240,000	240,271.20	240,254.40
3	BMW Bank	11/15/2018	1.96	240,000	245,128.80	244,384.80
4	American Express	04/29/2019	1.43	240,000	243,391.20	241,972.80
5	Synchrony Bank	04/14/2020	1.81	240,000	245,647.20	243,736.80
				1,200,000	1,214,940.00	1,210,860.00
Acct. Total					5,027,129.53	5,025,256.52
Total Managed Accounts					12,612,044.67	11,481,003.87
1-00-1121-000	UBS Rate Stabilization Fund (SS 24016) - District Restricted					
	UBS Bank USA Dep acct				250,000.00	250,000.00
	UBS RMA Government Portfolio				230,281.82	230,278.05
Acct. Total					480,281.82	480,278.05
GRAND TOTAL CASH AND INVESTMENTS					13,316,414.44	12,340,454.48
Increase (Decrease) in Funds					975,959.96	
1-00-1130-000	2013A Bonds - Project Funds (BNY Mellon)					
	Construction Funds				671,401.88	671,280.91

PALMDALE WATER DISTRICT
2016 Cash Flow Report (Based on Jan. 19, 2016 Approved Budget)

2016 Cash Flow Report (Based on Jan. 19, 2016 Approved Budget)														Budget 2017 Carryover Information
	January	February	March	April	May	June	July	August	September	October	November	December	YTD	
Total Cash Beginning Balance (BUDGET)	12,253,595	11,996,708	12,070,140	9,443,313	11,240,278	11,923,901	11,779,269	10,981,346	11,574,708	9,220,541	9,395,698	9,267,781		(582,380)
Total Cash Beginning Balance	12,253,595	12,534,672	12,719,333	10,275,232	12,340,454	13,316,414	13,000,882	12,419,230	12,320,180	10,056,101	10,012,061	9,887,528		
Budgeted Water Receipts	1,541,128	1,523,788	1,575,809	1,590,982	1,790,396	1,946,460	2,165,382	2,202,231	2,030,994	1,946,460	1,688,521	1,673,349	21,675,500	
Water Receipts	1,836,145	1,903,857	1,602,349	1,518,640	1,618,564	1,946,460	2,165,382	2,202,231	2,030,994	1,946,460	1,688,521	1,673,349	22,132,952	
DWR Refund (Operational Related)				1,718	28								1,746	
Other													-	
Total Operating Revenue (BUDGET)													-	
Total Operating Revenue (ACTUAL)	1,836,145	1,903,857	1,602,349	1,520,358	1,618,592	1,946,460	2,165,382	2,202,231	2,030,994	1,946,460	1,688,521	1,673,349	22,134,698	
Total Operating Expenses excl GAC (BUDGET)	(1,237,486)	(1,217,967)	(1,591,629)	(1,550,533)	(1,568,100)	(1,439,060)	(1,770,025)	(1,614,651)	(1,795,266)	(1,449,785)	(1,434,170)	(1,550,028)	(18,218,700)	
GAC (BUDGET)	(362,730)		(190,000)			(190,000)			(190,000)		(190,000)		(1,122,730)	
Operating Expenses excl GAC (ACTUAL)	(1,356,117)	(1,281,496)	(1,961,054)	(1,361,831)	(1,377,208)	(1,439,060)	(1,770,025)	(1,614,651)	(1,795,266)	(1,449,785)	(1,434,170)	(1,550,028)	(18,390,691)	
GAC	(62,730)	(183,290)	(275,135)					(190,000)			(190,000)		(901,154)	
Prepaid Insurance (paid)/refunded		(66,457)											(66,457)	
Total Operating Expense (ACTUAL)	(1,418,847)	(1,531,243)	(2,236,189)	(1,361,831)	(1,377,208)	(1,439,060)	(1,770,025)	(1,804,651)	(1,795,266)	(1,449,785)	(1,624,170)	(1,550,028)	(19,358,302)	
Non-Operating Revenue Expenses:														
Assessments, net (BUDGET)	664,439	253,955	14,289	2,027,090	739,781	11,042	75,342	127,302	-	-	129,251	2,452,512	6,495,000	
Actual/Projected Assessments, net	684,181	313,172	15,308	2,078,805	818,666	12,539	75,342	127,302	-	-	129,251	2,452,512	6,707,077	
RDA Pass-through (Successor Agency)					307,851								307,851	
Interest	3,168	4,991	9,069	8,540	9,385	2,915	2,915	2,915	2,915	2,915	2,915	2,935	55,578	
Market Adjustment	7,983	(12,780)	7,384	(3,392)	(4,736)								(5,542)	
Grant Re-imbursement						306,915						177,000	483,915	
Capital Improvement Fees								25,000				25,000	50,000	
DWR Refund (Capital Related)				98,537	37,228				50,000			50,000	235,765	
Other	3,415	26	590	(202)	(33)	8,330	8,330	8,330	8,330	8,330	8,330	8,370	62,146	
Total Non-Operating Revenues (BUDGET)													-	
Total Non-Operating Revenues (ACTUAL)	698,746	305,408	32,351	2,182,288	1,168,361	330,699	86,587	163,547	61,245	11,245	140,496	2,715,817	7,896,790	
Non-Operating Expenses:														
Budgeted Capital Expenditures	(514,999)	(306,567)	(287,878)	(40,796)	(48,676)	(26,296)	(91,743)	(91,743)	(91,743)	(91,743)	(91,744)	(918,263)	(2,602,191)	
Actual/Projected Capital Expenditures	(93,505)	(302,341)	(24,615)	(62,302)	(242,404)	(225,390)	(115,113)	(38,796)	(26,296)	(160,581)	-	-	(1,291,344)	
Uncommitted Capital Expenditures	-	-	-	-	-	(10,000)	(210,000)	(430,000)	(215,000)	(200,000)	(138,000)	-	(1,203,000)	
WRB Capital Expenditures	-	-	-	-	-	-	-	-	-	-	-	(347,629)	(347,629)	
SWP Capitalized	(717,495)	(170,388)	(196,069)	(170,390)	(170,390)	(170,390)	(717,492)	(170,390)	(201,804)	(170,388)	(170,388)	(170,388)	(3,195,972)	
Butte County Water Transfer						(726,859)						(726,859)	(1,453,719)	
Bond Payments - Interest			(1,084,814)						(1,076,522)				(2,161,336)	
Principal			(537,114)						(1,020,439)				(1,557,553)	
Capital leases - Go West (2012 Lease)	(17,296)	(17,296)	-	(35,624)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(17,296)	(208,585)	
Capital leases - GE Capital (Printer Lease)	(6,672)	(3,336)	-	(7,277)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(3,695)	(46,846)	
Total Non-Operating Expenses (ACTUAL)	(834,969)	(493,362)	(1,842,612)	(275,592)	(433,785)	(1,153,631)	(1,063,596)	(660,177)	(2,561,052)	(551,961)	(329,379)	(1,265,868)	(11,465,983)	
Total Cash Ending Balance (BUDGET)	11,996,708	12,070,140	9,443,313	11,240,278	11,923,901	11,779,269	10,981,346	11,574,708	9,220,541	9,395,698	9,267,781	10,300,285		
Total Cash Ending Balance (ACTUAL)	12,534,672	12,719,333	10,275,232	12,340,454	13,316,414	13,000,882	12,419,230	12,320,180	10,056,101	10,012,061	9,887,528	11,460,798		
											Budget	10,300,285		
											Difference	1,160,513		
Indicates actual expenditures/revenues:														
Indicates anticipated expenditures/revenues:														

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE: July 7, 2016 **July 13, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM 7.2 – STATUS REPORT ON FINANCIAL STATEMENTS, REVENUE, AND EXPENSE AND DEPARTMENTAL BUDGET REPORTS FOR MAY, 2016*

Discussion:

Presented here are the Balance Sheet and Profit/Loss Statement for the period ending May 31, 2016. 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 May, 2016.

This is the fifth month of the District's Budget Year 2016. The target percentage is 41%. Revenues ideally are at or above, and expenditures ideally are below.

Balance Sheet:

- Page 1 is our balance sheet on May 31, 2016.
- The significant change is in the investments. There is an increase of approximately \$1M. This is due primarily to the assessment payment received and pass through dissolution RDA.

Profit/Loss Statement:

- Page 3 is our profit/loss statement on May 31, 2016.
- Operating revenue is at 37% of budget, a relatively good position at this time of year and conditions.
- Cash operating expense is at 40% of budget. This too is a relatively good position, just at our target percentage.
- Net operating profit for the month of May was \$386K. Net operating loss year-to-date is at \$219K.
- Water Conservation continues to track higher due to expenses related to public relations.
- Page 3-1 is a listing of other revenues, and it includes year to date totals.
- Page 6 is showing the distribution of operating expense between labor and operations. Labor costs are currently at 51% of total expenses with salaries making up 34% of that.

Year-To-Year Comparison P&L:

- Page 7 is our comparison of May, 2015 to May, 2016.
- Total operating revenue is up \$22K, or 1.3%.
- Operating expenditures are up \$66K, or 5%.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis LaMoreaux, General Manager

-2-

July 7, 2016

- Page 7-1 is our comparison of May, 2014 to May, 2016.
- Total operating revenue is down \$185K, or 9.6%.
- Total operating expenses were down \$363K, or 21%, due primarily to reduced plant expenditures.
- Page 8 and 8-1 is a graphic presentation of the water consumption comparison for 2015 and 2014, respectively. Units billed in acre feet for 2015 comparison were down by 281, or 19%. Total revenue per unit sold is up \$0.7, or 26%, total revenue per connection is down \$3.4, or 5.3%, and units billed per connection is down 4.67, or 20%.
- Units billed in acre feet for 2014 comparison were down by 492, or 30%. Total revenue per unit sold is up \$0.80, or 29%, total revenue per connection is down \$8.80, or 12.8%, and units billed per connection is down 8.22, or 30%.

Revenue Analysis Year-To-Date:

- Page 9 is our comparison of revenue, year-to-date.
- Operating revenue through May, 2016 is down \$125K, or 1.5%.
- Retail water revenue from all areas are down by \$250K from last year. That's shown by the combined green highlighted area.
- Retail water sales including the drought surcharge, but excluding meter fees, is down \$211K.
- Total revenue is down \$155K.
- Operating revenue is at 36.7% of budget; last year was at 34.8% of budget. However, our 2016 revenue budget is \$1.5MM less than 2015.

Expense Analysis Year-To-Date:

- Page 11 is our comparison of expense, year-to-date.
- Cash Operating Expenses through May, 2016 are up \$264K, or 3%, compared to 2015.
- Total Expenses are up \$513K, or 4%, due primarily to reduced depreciation and our contribution to PRWA.

Departments:

- Pages 14 through 24 are detailed individual departmental budgets for your review.

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.

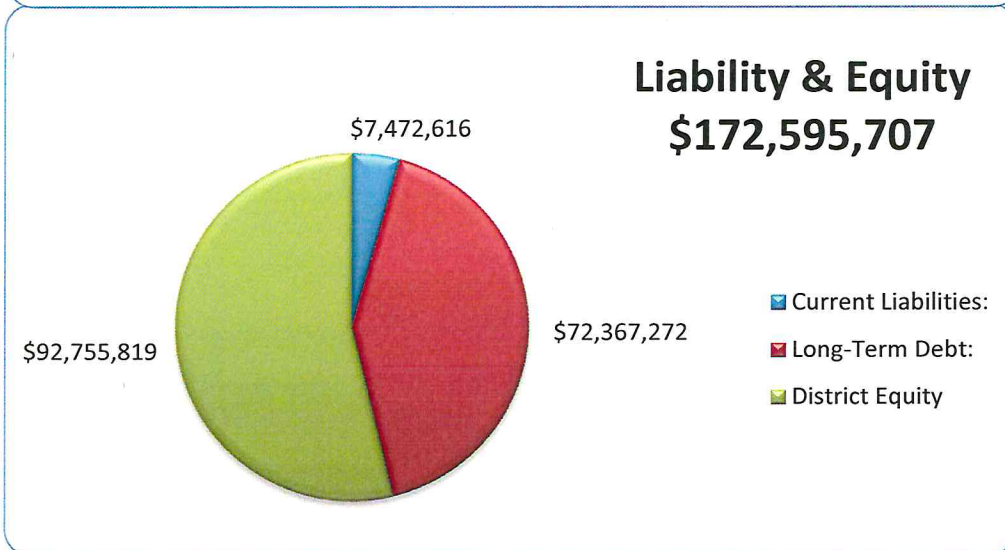
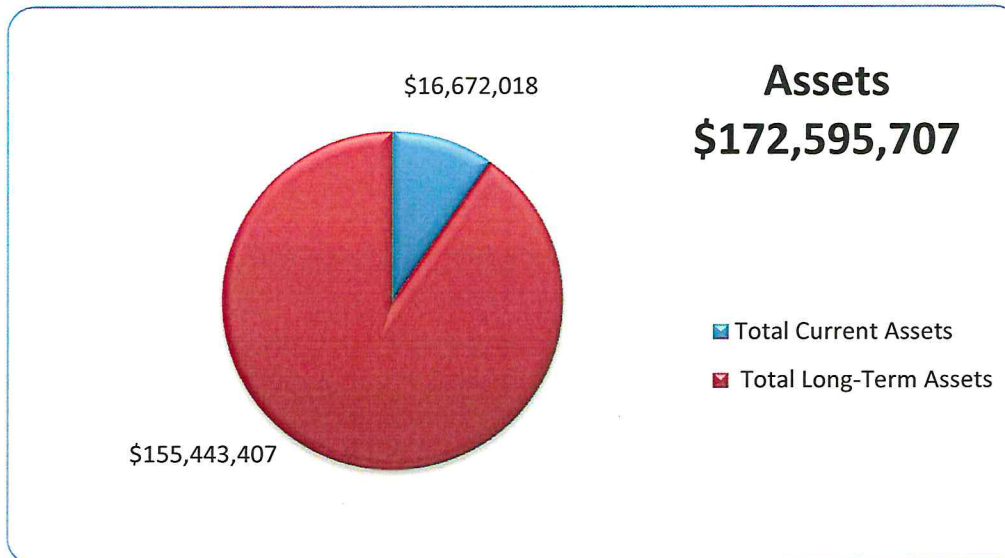
Service Cost Construction: The value of material, parts & supplies from inventory used to construct, repair and maintain our asset infrastructure.

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

Palmdale Water District
Balance Sheet Report
For the Five Months Ending 5/31/2016

	<u>May 2016</u>	<u>April 2016</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 224,088	\$ 379,173
Investments	12,612,045	11,481,004
2013A Bonds - Project Funds	639,608	671,281
	<u>\$ 13,475,740</u>	<u>\$ 12,531,457</u>
Receivables:		
Accounts Receivables - Water Sales	\$ 1,571,868	\$ 1,542,377
Accounts Receivables - Miscellaneous	26,378	27,864
Allowance for Uncollected Accounts	(196,113)	(196,113)
	<u>\$ 1,402,134</u>	<u>\$ 1,374,129</u>
Assessments Receivables	\$ 948,208	\$ 1,766,874
Meters, Materials and Supplies	719,335	722,462
Prepaid Expenses	126,601	151,372
Total Current Assets	\$ 16,672,018	\$ 16,546,294
Long-Term Assets:		
Property, Plant, and Equipment, net	\$ 111,170,399	\$ 111,468,852
Participation Rights in State Water Project, net	43,119,725	43,146,233
Investment in PRWA	229,923	229,923
2013A Bonds - Insurance & Surety Bond	218,559	219,225
CalPERS Contributions	704,801	704,801
	<u>\$ 155,443,407</u>	<u>\$ 155,769,035</u>
Restricted Cash:		
Rate Stabilization Fund	480,282	480,278
Total Long-Term Assets & Restricted Cash	\$ 155,923,689	\$ 156,249,313
Total Assets	\$ 172,595,707	\$ 172,795,607
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities:		
Current Interest Installment of Long-term Debt	\$ 358,877	\$ 179,454
Current Principal Installment of Long-term Debt	1,144,031	1,159,324
Accounts Payable and Accrued Expenses	5,378,042	5,429,857
Deferred Assessments	591,667	1,183,333
Total Current Liabilities	\$ 7,472,616	\$ 7,951,969
Long-Term Debt:		
Pension-Related Debt	\$ 9,177,550	\$ 9,177,550
OPEB Liability	12,133,103	11,953,558
2013A Water Revenue Bonds	42,948,212	42,950,463
2012 - Certificates of Participation	8,061,121	8,054,323
2011 - Capital Lease Payable	47,286	47,286
Total Long-Term Liabilities	\$ 72,367,272	\$ 72,183,180
Total Liabilities	\$ 79,839,887	\$ 80,135,149
District Equity		
Revenue from Operations	\$ (1,899,578)	\$ (1,994,938)
Retained Earnings	94,655,397	94,655,397
Total Liabilities and District Equity	\$ 172,595,707	\$ 172,795,607

BALANCE SHEET AS OF MAY 31, 2016



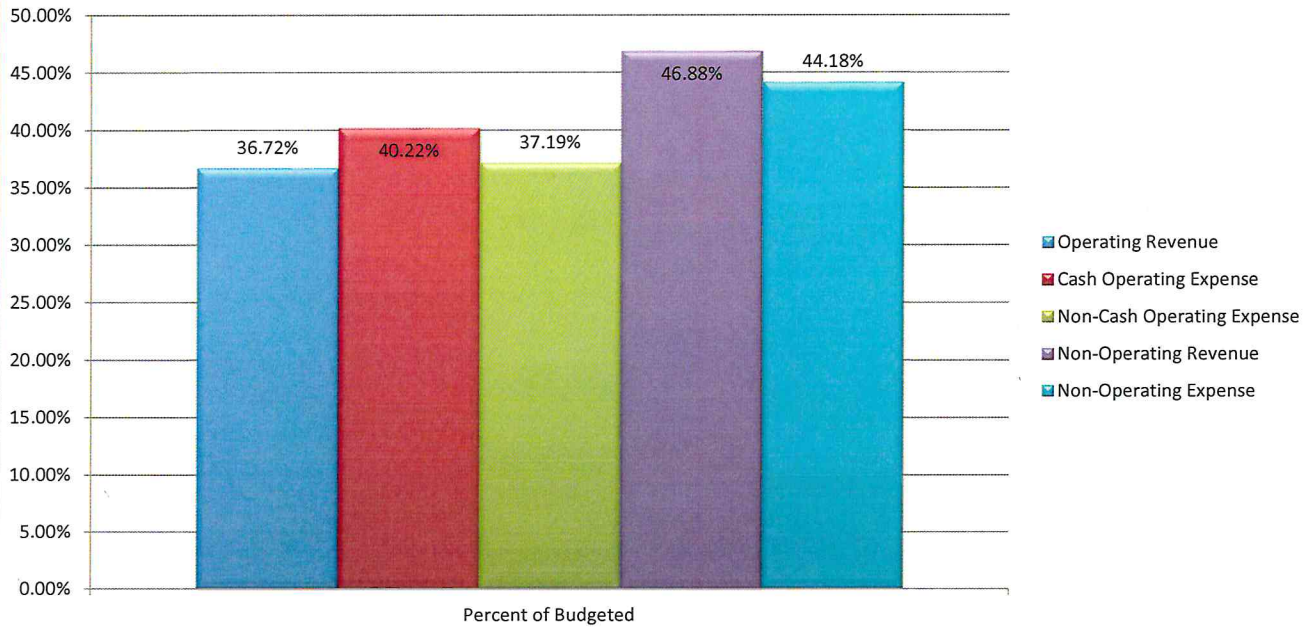
Palmdale Water District
Consolidated Profit and Loss Statement
For the Five Months Ending 5/31/2016

	Thru April	May	Year-to-Date	Adjustments	Adjusted Budget	% of Budget
Operating Revenue:						
Wholesale Water	\$ 24,409	\$ 31,746	\$ 56,156		\$ 160,000	35.10%
Water Sales	1,464,397	456,289	1,920,686		7,242,000	26.52%
Meter Fees	4,054,090	1,015,014	5,069,104		12,079,000	41.97%
Water Quality Fees	197,368	64,266	261,634		934,500	28.00%
Elevation Fees	72,650	25,851	98,501		400,000	24.63%
Other (Page 3-1)	245,530	51,076	296,606		860,000	34.49%
Drought Surcharge	170,296	85,553	255,849		-	
Total Operating Revenue	\$ 6,228,741	\$ 1,729,795	\$ 7,958,536	\$ -	\$ 21,675,500	36.72%
Cash Operating Expenses:						
Directors	\$ 53,820	\$ 6,976	\$ 60,796		\$ 145,750	41.71%
Administration-Services	489,001	113,240	602,241		1,588,750	37.91%
Administration-District	501,713	118,535	620,248		1,612,750	38.46%
Engineering	384,969	92,200	477,169		1,279,250	37.30%
Facilities	2,231,543	474,738	2,706,282		6,513,750	41.55%
Operations	774,529	201,692	976,221		2,449,250	39.86%
Finance	400,657	89,999	490,657		1,168,250	42.00%
Water Conservation	89,693	26,858	116,552		239,250	48.72%
Human Resources	145,343	24,605	169,949		420,350	40.43%
Information Technology	232,519	39,573	272,093		867,750	31.36%
Customer Care	447,153	112,959	560,112		1,386,750	40.39%
Source of Supply-Purchased Water	406,191	11,748	417,939		1,725,000	24.23%
Plant Expenditures	156,477	29,871	186,348		-	
GAC Filter Media Replacement	521,064	-	521,064		934,500	55.76%
Total Cash Operating Expenses	\$ 6,834,675	\$ 1,342,994	\$ 8,177,669	\$ -	\$ 20,331,350	40.22%
Net Cash Operating Profit/(Loss)	\$ (605,934)	\$ 386,802	\$ (219,132)	\$ -	\$ 1,344,150	-16.30%
Non-Cash Operating Expenses:						
Depreciation	\$ 1,948,973	\$ 463,276	\$ 2,412,249		\$ 7,200,000	33.50%
OPEB Accrual Expense	783,441	195,860	979,301		2,250,000	43.52%
Bad Debts	26,982	13,834	40,816		50,000	81.63%
Service Costs Construction	26,628	(3,445)	23,183		125,000	18.55%
Capitalized Construction	(247,865)	-	(247,865)		(1,000,000)	24.79%
Total Non-Cash Operating Expenses	\$ 2,538,158	\$ 669,525	\$ 3,207,683	\$ -	\$ 8,625,000	37.19%
Net Operating Profit/(Loss)	\$ (3,144,092)	\$ (282,724)	\$ (3,426,816)	\$ -	\$ (7,280,850)	47.07%
Non-Operating Revenues:						
Assessments (Debt Service)	\$ 1,786,833	\$ 446,708	\$ 2,233,542		\$ 4,670,000	47.83%
Assessments (1%)	579,833	452,809	1,032,643		2,025,000	50.99%
DWR Fixed Charge Recovery	98,537	37,228	135,765		200,000	67.88%
Interest	24,962	4,649	29,611		35,000	84.60%
Capital Improvement Fees	-	-	-		50,000	0.00%
Grants - State and Federal	-	-	-		485,000	0.00%
Other	124,539	(33)	124,506		120,000	103.75%
Total Non-Operating Revenues	\$ 2,614,704	\$ 941,361	\$ 3,556,066	\$ -	\$ 7,585,000	46.88%
Non-Operating Expenses:						
Interest on Long-Term Debt	\$ 745,760	\$ 185,210	\$ 930,970		\$ 2,228,000	41.79%
Amortization of SWP	787,582	196,898	984,480		2,238,000	43.99%
Change in Investments in PRWA	103,794	-	103,794		-	
Water Conservation Programs	6,609	2,974	9,583		126,500	7.58%
Total Non-Operating Expenses	\$ 1,643,745	\$ 385,082	\$ 2,028,828	\$ -	\$ 4,592,500	44.18%
Net Earnings	\$ (2,173,133)	\$ 273,556	\$ (1,899,578)	\$ -	\$ (4,288,350)	44.30%

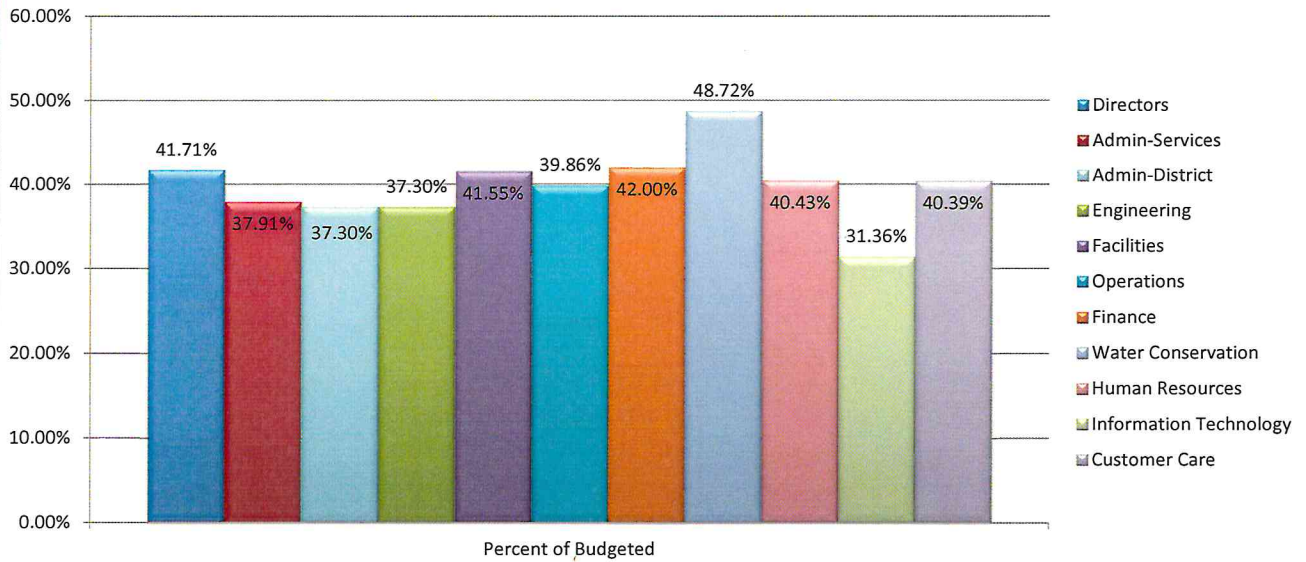
OTHER OPERATING REVENUE

	Current	YTD
Account Setup Charge(\$25)	\$4,500.00	\$17,060.00
Customer Request Turn On/Off(\$15)	\$15.00	\$15.00
Account Setup Charge/CC (\$35)	\$0.00	\$1,085.00
5/8" Meter W/Itron Assembly(\$212)	\$0.00	(\$212.00)
After Hours Service Call	\$0.00	\$365.00
Credit Check(\$10)	\$0.00	\$690.00
Grind Down Angle Stop (\$230)	\$0.00	(\$230.00)
Lock Broken or Missing(\$15)	\$15.00	\$315.00
Miscellaneous Charge	\$0.00	\$931.70
Non-Compliance Fee Backflow(\$50)	\$100.00	\$450.00
Pulled Meter Service Charge(\$60)	\$0.00	\$360.00
Rejected Payment Notification	\$220.00	\$1,260.00
Repair Angle Stop After Hours(\$600.00)	\$1,200.00	\$1,200.00
Repair Angle Stop(\$440.00)	\$1,320.00	\$3,520.00
Shut-Off Charge(\$30)	\$5,340.00	\$31,410.00
Shut-Off Notice Fee (\$5)	\$9,800.00	\$40,260.00
Standard Trip Charge(\$15)	\$210.00	\$1,020.00
Waste Water 1st Notice(\$50.00)	\$1,750.00	\$5,000.00
Waste Water 2nd Notice (\$250.00)	(\$250.00)	(\$250.00)
Late Fees	\$30,044.40	\$152,723.42
NSF Fee	\$375.00	\$1,625.00

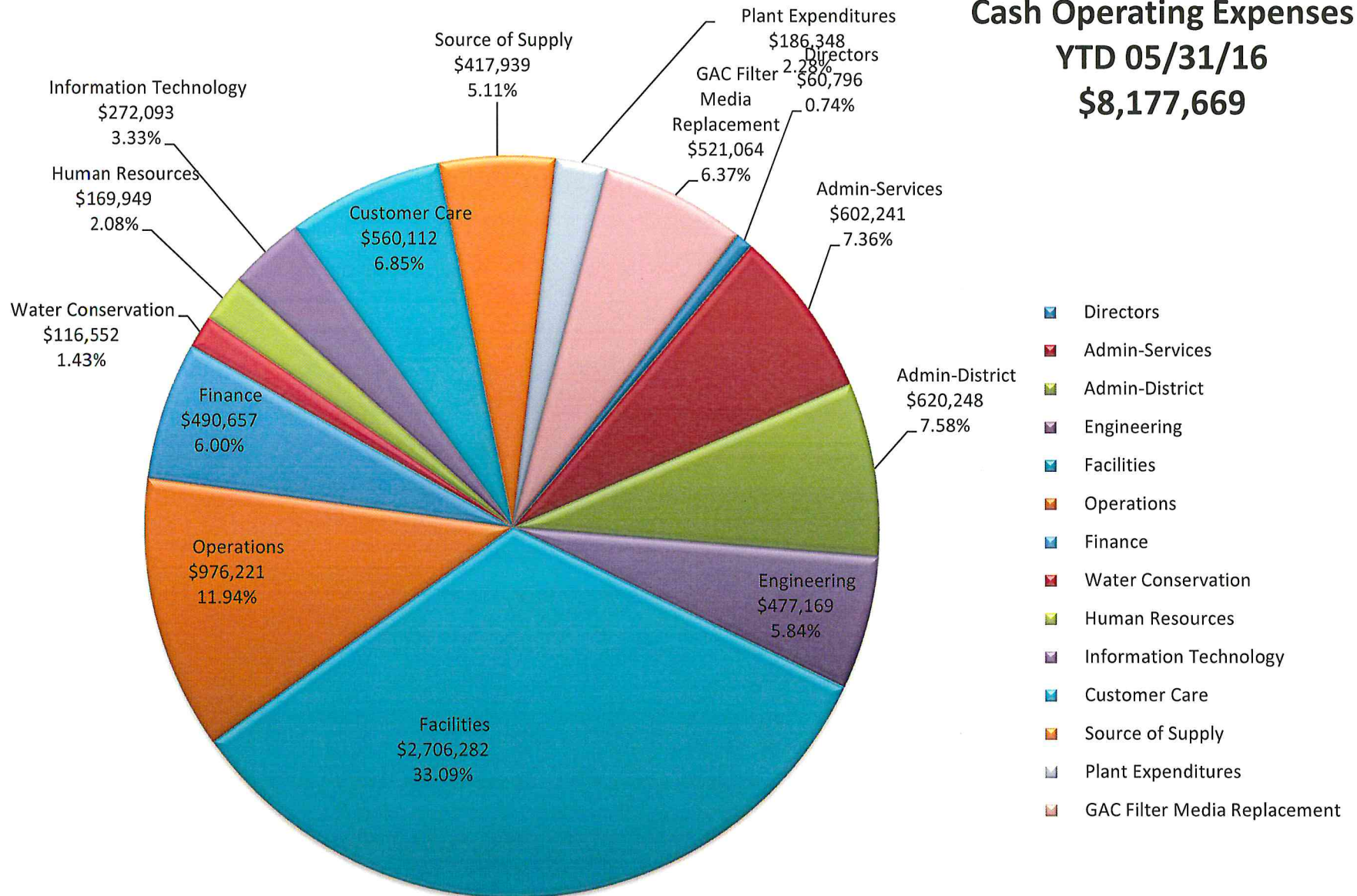
P & L BUDGET vs. ACTUAL



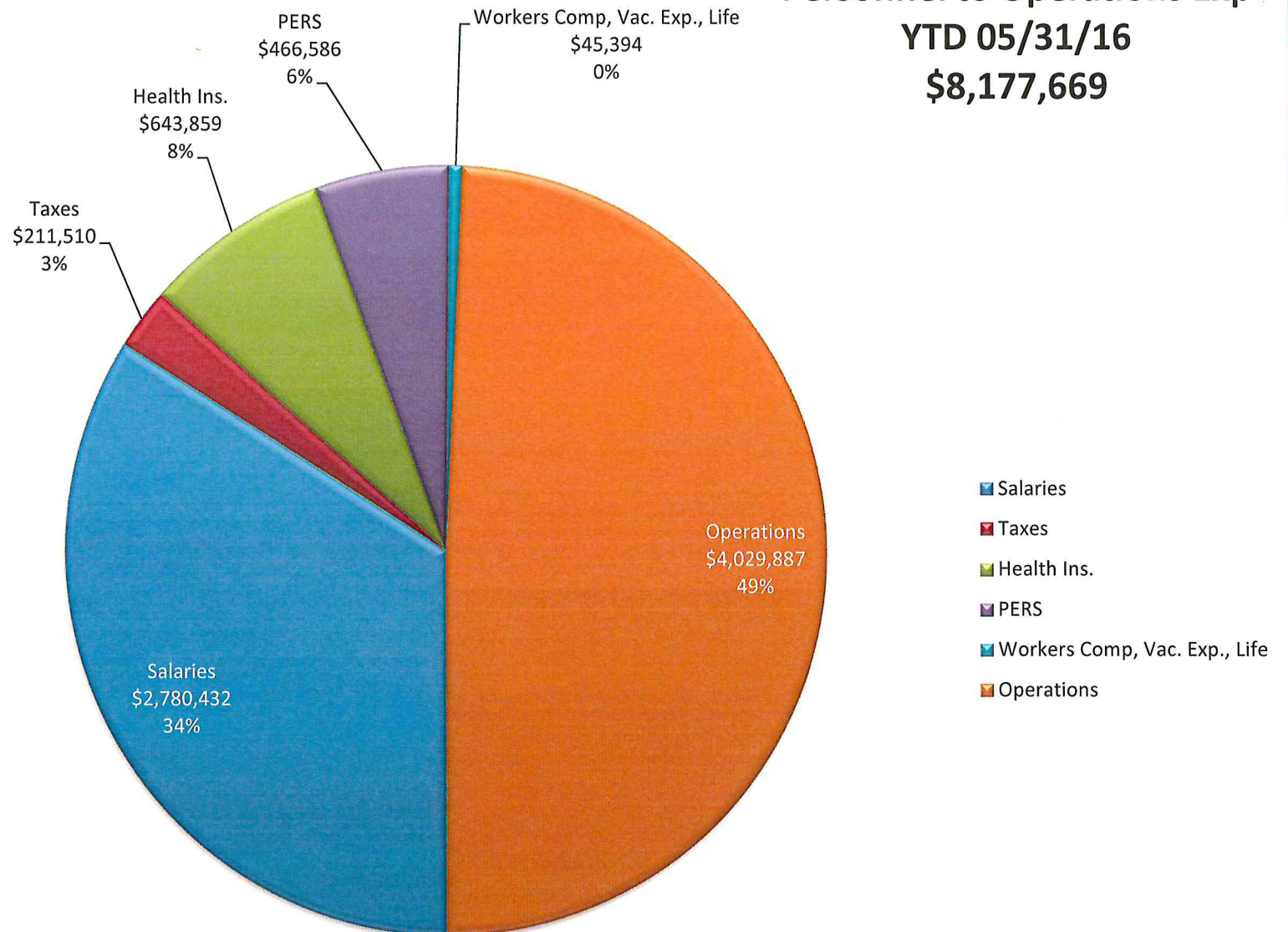
DEPARTMENTAL - BUDGET vs. ACTUAL



Cash Operating Expenses **YTD 05/31/16** **\$8,177,669**



Personnel to Operations Exp
YTD 05/31/16
\$8,177,669



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

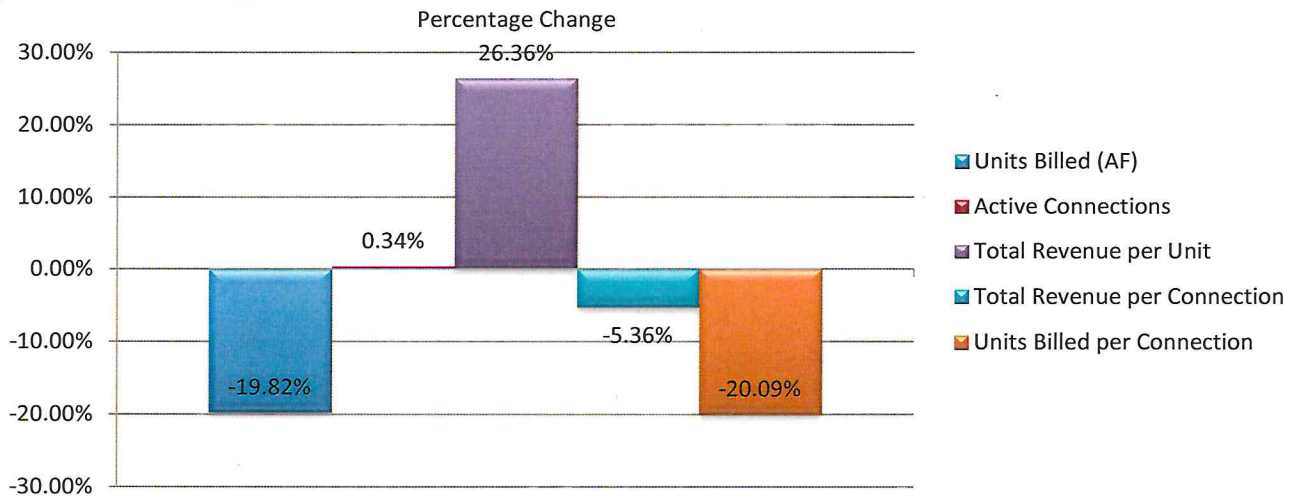
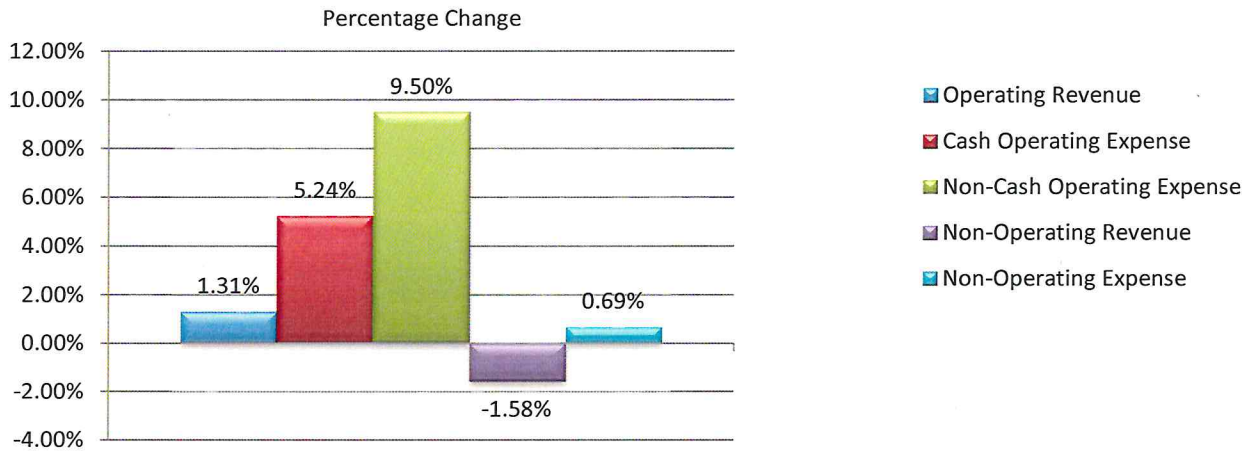
	2015 May	2016 May	Change	% Change		Consumption Comparison	
					Units Billed	2015	2016
Operating Revenue:						616,550	494,352
Wholesale Water	\$ 442	\$ 31,746	\$ 31,304		Active	26,496	26,585
Water Sales	583,678	456,289	(127,388)	-21.83%	Vacant	881	819
Meter Fees	971,232	1,015,014	43,782	4.51%			
Water Quality Fees	85,605	64,266	(21,339)	-24.93%	Rev/unit	\$ 2.77	\$ 3.50
Elevation Fees	36,850	25,851	(10,999)	-29.85%	Rev/con	\$ 63.32	\$ 59.93
Other	29,568	51,076	21,508	72.74%	Unit/con	23.27	18.60
Drought Surcharge		85,553	85,553				
Total Operating Revenue	\$ 1,707,376	\$ 1,729,795	\$ 22,420	1.31%			
Cash Operating Expenses:							
Directors	\$ 16,148	\$ 6,976	\$ (9,172)	-56.80%			
Administration-Services	198,564	113,240	33,211	16.73%			
Administration-District	-	118,535					
Engineering	87,080	92,200	5,119	5.88%			
Facilities	442,106	474,738	32,632	7.38%			
Operations	204,273	201,692	(2,582)	-1.26%			
Finance	87,325	89,999	2,674	3.06%			
Water Conservation	18,800	26,858	8,059	42.87%			
Human Resources	30,958	24,605	(6,353)	-20.52%			
Information Technology	37,948	39,573	1,625	4.28%			
Customer Care	105,511	112,959	7,448	7.06%			
Source of Supply-Purchased Water	(80,157)	11,748	91,904	-114.66%			
Plant Expenditures	127,539	29,871	(97,668)	-76.58%			
GAC Filter Media Replacement	-	-	-				
Total Cash Operating Expenses	\$ 1,276,095	\$ 1,342,994	\$ 66,898	5.24%			
Non-Cash Operating Expenses:							
Depreciation	\$ 534,975	\$ 463,276	\$ (71,699)	-13.40%			
OPEB Accrual Expense	183,580	195,860	12,280	6.69%			
Bad Debts	-	13,834	13,834				
Service Costs Construction	(9,570)	(3,445)	6,124	-64.00%			
Capitalized Construction	(97,561)	-	97,561	-100.00%			
Total Non-Cash Operating Expenses	\$ 611,425	\$ 669,525	\$ 58,100	9.50%			
Net Operating Profit/(Loss)	\$ (180,145)	\$ (282,724)	\$ (102,579)	56.94%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 446,500	\$ 446,708	\$ 208	0.05%			
Assessments (1%)	472,200	452,809	(19,391)	-4.11%			
DWR Fixed Charge Recovery	35,221	37,228	2,007	5.70%			
Interest	2,539	4,649	2,110	83.10%			
Capital Improvement Fees	-	-	-				
Other	21	(33)	(54)	-256.47%			
Total Non-Operating Revenues	\$ 956,481	\$ 941,361	\$ (15,120)	-1.58%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 189,347	\$ 185,210	\$ (4,137)	-2.18%			
Amortization of SWP	172,877	196,898	24,021	13.89%			
Change in Investments in PRWA	5,093	-	(5,093)	-100.00%			
Water Conservation Programs	15,117	2,974	(12,143)	-80.33%			
Total Non-Operating Expenses	\$ 382,434	\$ 385,082	\$ 2,649	0.69%			
Net Earnings	\$ 393,903	\$ 273,556	\$ (120,348)	-30.55%			

Palmdale Water District
Profit and Loss Statement
Year-To-Year Comparison-2 Years - May

	2014 May	2016 May	Change	% Change		Consumption Comparison	
					Units Billed	2014	2016
Operating Revenue:						708,815	494,352
Wholesale Water	\$ 4,860	\$ 31,746	\$ 26,886	553.20%	Active	26,431	26,585
Water Sales	682,139	456,289	(225,850)	-33.11%	Vacant	940	819
Meter Fees	944,186	1,015,014	70,828	7.50%			
Water Quality Fees	141,641	64,266	(77,376)	-54.63%	Rev/unit	\$ 2.70	\$ 3.50
Elevation Fees	43,669	25,851	(17,819)	-40.80%	Rev/con	\$ 68.73	\$ 59.93
Other	98,500	51,076	(47,424)	-48.15%	Unit/con	26.82	18.60
Drought Surcharge	-	85,553	85,553				
Total Operating Revenue	\$ 1,914,996	\$ 1,729,795	\$ (185,200)	-9.67%			
Cash Operating Expenses:							
Directors	\$ 14,213	\$ 6,976	\$ (7,237)	-50.92%			
Administration-Services	159,803	113,240	71,972	45.04%			
Administration-District	-	118,535					
Engineering	76,866	92,200	15,334	19.95%			
Facilities	241,691	474,738	233,048	96.42%			
Operations	463,241	201,692	(261,549)	-56.46%			
Finance	252,359	89,999	(162,360)	-64.34%			
Water Conservation	9,967	26,858	16,891	169.47%			
Human Resources	23,516	24,605	1,090	4.63%			
Information Technology	93,087	39,573	(53,513)	-57.49%			
Customer Care	-	112,959	112,959				
Source of Supply-Purchased Water	24,913	11,748	(13,165)	-52.85%			
Plant Expenditures	347,101	29,871	(317,230)	-91.39%			
GAC Filter Media Replacement	-	-	-				
Total Cash Operating Expenses	\$ 1,706,756	\$ 1,342,994	\$ (363,762)	-21.31%			
Non-Cash Operating Expenses:							
Depreciation	\$ 549,115	\$ 463,276	\$ (85,839)	-15.63%			
OPEB Accrual Expense	166,875	195,860	28,985	17.37%			
Bad Debts	4,062	13,834	9,773	240.61%			
Service Costs Construction	(147,733)	(3,445)	144,288	-97.67%			
Capitalized Construction	(109,506)	-	109,506	-100.00%			
Total Non-Cash Operating Expenses	\$ 462,812	\$ 669,525	\$ 206,713	44.66%			
Net Operating Profit/(Loss)	\$ (254,572)	\$ (282,724)	\$ (28,151)	11.06%			
Non-Operating Revenues:							
Assessments (Debt Service)	\$ 531,994	\$ 446,708	\$ (85,285)	-16.03%			
Assessments (1%)	436,152	452,809	16,658	3.82%			
DWR Fixed Charge Recovery	133,539	37,228	(96,311)	-72.12%			
Interest	5,957	4,649	(1,309)	-21.97%			
Capital Improvement Fees	-	-	-				
Other	50,688	(33)	(50,721)	-100.07%			
Total Non-Operating Revenues	\$ 1,158,329	\$ 941,361	\$ (216,968)	-18.73%			
Non-Operating Expenses:							
Interest on Long-Term Debt	\$ 193,353	\$ 185,210	\$ (8,143)	-4.21%			
Amortization of SWP	159,510	196,898	37,388	23.44%			
Change in Investments in PRWA	-	-	-				
Water Conservation Programs	23,405	2,974	(20,431)	-87.29%			
Total Non-Operating Expenses	\$ 376,268	\$ 385,082	\$ 8,815	2.34%			
Net Earnings	\$ 527,489	\$ 273,556	\$ (253,934)	-48.14%			

YEAR-TO-YEAR COMPARISON

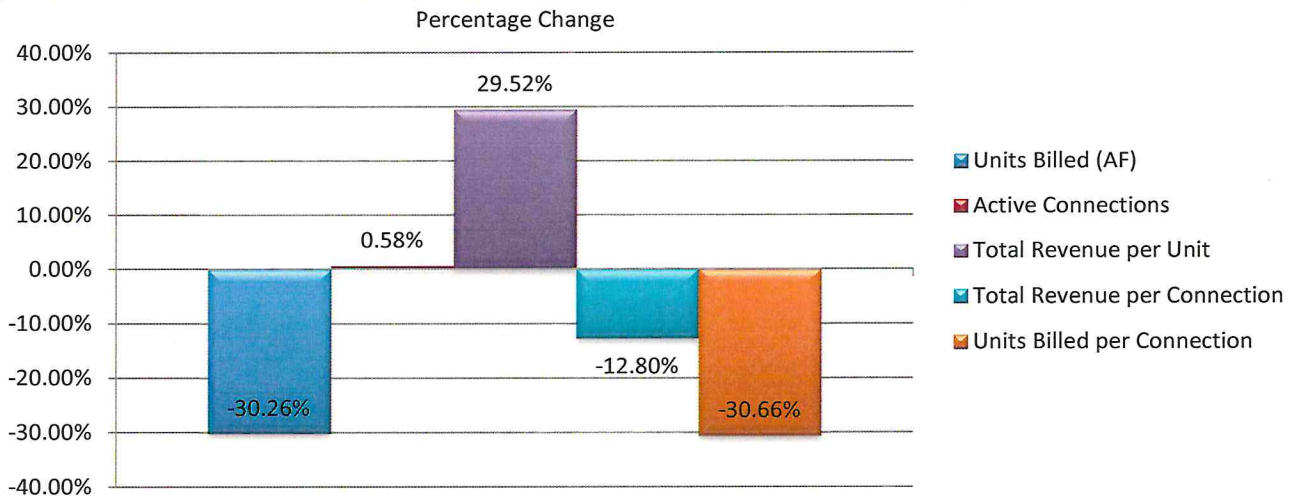
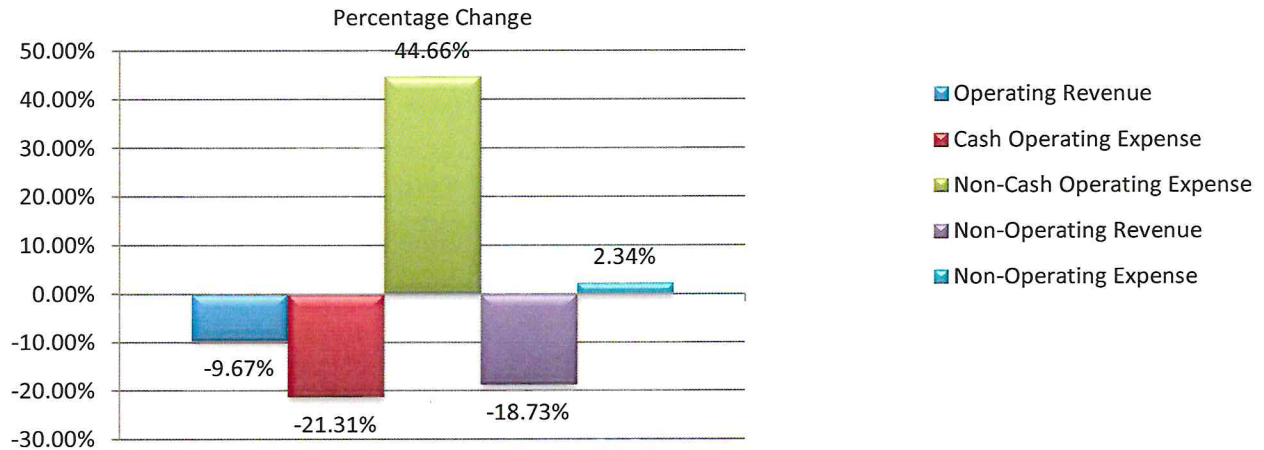
May 2015 -To - May 2016



	2015	2016	Change	
Units Billed (AF)	1,415	1,135	-281	-19.82%
Active Connections	26,496	26,585	89	0.34%
Non-Active	881	819	-62	-7.04%
Total Revenue per Unit	\$2.77	\$3.50	\$0.73	26.36%
Total Revenue per Connection	\$63.32	\$59.93	-\$3.40	-5.36%
Units Billed per Connection	23.27	18.60	-4.67	-20.09%

YEAR-TO-YEAR COMPARISON

May 2014 -To - May 2016



	2014	2016	Change	
Units Billed (AF)	1,627	1,135	-492	-30.26%
Active Connections	26,431	26,585	154	0.58%
Non-Active	940	819	-121	-12.87%
Total Revenue per Unit	\$2.70	\$3.50	\$0.80	29.52%
Total Revenue per Connection	\$68.73	\$59.93	-\$8.80	-12.80%
Units Billed per Connection	26.82	18.60	-8.22	-30.66%

Palmdale Water District
Revenue Analysis
For the Five Months Ending 5/31/2016
2016

	Thru April	May	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 24,409	\$ 31,746	\$ 56,156	\$ 160,000	35.10%
Water Sales	1,464,397	456,289	1,920,686	7,242,000	26.52%
Meter Fees	4,054,090	1,015,014	5,069,104	12,079,000	41.97%
Water Quality Fees	197,368	64,266	261,634	934,500	28.00%
Elevation Fees	72,650	25,851	98,501	400,000	24.63%
Other	245,530	51,076	296,606	860,000	34.49%
Drought Surcharge	170,296	85,553	255,849	-	
Total Water Sales	\$ 6,228,741	\$ 1,729,795	\$ 7,958,536	\$ 21,675,500	36.72%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 1,786,833	\$ 446,708	\$ 2,233,542	\$ 4,670,000	47.83%
Assessments (1%)	579,833	452,809	1,032,643	2,025,000	50.99%
DWR Fixed Charge Recovery	98,537	37,228	135,765	200,000	67.88%
Interest	24,962	4,649	29,611	35,000	84.60%
Capital Improvement Fees	-	-	-	50,000	0.00%
Grants - State and Federal	-	-	-	485,000	0.00%
Other	124,539	(33)	124,506	120,000	103.75%
Total Non-Operating Revenues	\$ 2,614,704	\$ 941,361	\$ 3,556,066	\$ 7,585,000	46.88%
Total Revenue	\$ 8,843,446	\$ 2,671,157	\$ 11,514,602	\$ 29,260,500	39.35%

2015 to 2016 Comparison

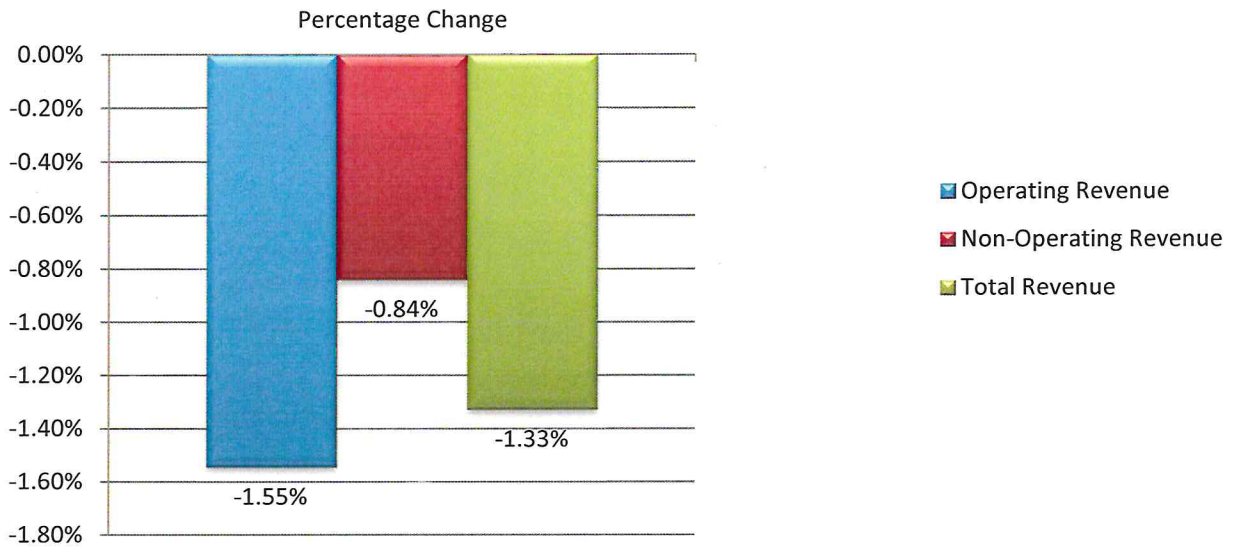
	Thru April	May	Year-to-Date	% Change
	\$ 21,745	\$ 31,304	\$ 53,049	1707.68%
	(248,444)	(127,388)	(375,833)	-16.37%
	172,917	43,782	216,699	4.47%
	(39,138)	(21,339)	(60,478)	-18.78%
	(20,214)	(10,999)	(31,213)	-24.06%
	(204,622)	21,508	(183,114)	-38.17%
	170,296	85,553	255,849	
	\$ (147,460)	\$ 22,420	\$ (125,040)	-1.55%
	\$ 833	\$ 208	\$ 1,042	0.05%
	15,833	(19,391)	(3,558)	-0.34%
	(6,401)	2,007	(4,394)	-3.14%
	(73)	2,110	2,037	7.39%
	(138,702)	-	(138,702)	-100.00%
	-	-	-	
	113,432	(54)	113,378	1018.86%
	\$ (15,078)	\$ (15,120)	\$ (30,198)	-0.84%
	\$ (162,537)	\$ 7,300	\$ (155,238)	-1.33%

2015

	Thru April	May	Year-to-Date	Adjusted Budget	% of Budget
Operating Revenue:					
Wholesale Water	\$ 2,664	\$ 442	\$ 3,107	\$ 225,000	1.38%
Water Sales	1,712,841	583,678	2,296,519	8,550,500	26.86%
Meter Fees	3,881,173	971,232	4,852,405	11,506,000	42.17%
Water Quality Fees	236,507	85,605	322,112	1,146,500	28.10%
Elevation Fees	92,864	36,850	129,714	525,000	24.71%
Other	450,152	29,568	479,720	1,450,000	33.08%
Drought Surcharge	-	-	-	-	
Total Water Sales	\$ 6,373,537	\$ 1,706,933	\$ 8,080,470	\$ 23,178,000	34.86%
Non-Operating Revenues:					
Assessments (Debt Service)	\$ 1,786,000	\$ 446,500	\$ 2,232,500	\$ 5,100,000	43.77%
Assessments (1%)	564,000	472,200	1,036,200	1,950,000	53.14%
DWR Fixed Charge Recovery	104,938	35,221	140,159	100,000	140.16%
Interest	25,035	2,539	27,574	35,000	78.78%
Capital Improvement Fees	\$ 138,702	\$ -	138,702	50,000	277.40%
Other	11,107	21	11,128	5,000	222.56%
Total Non-Operating Revenues	\$ 2,629,782	\$ 956,481	\$ 3,586,263	\$ 7,240,000	49.53%
Total Revenue	\$ 9,003,319	\$ 2,663,415	\$ 11,666,733	\$ 30,418,000	38.35%

REVENUE COMPARISON YEAR-TO-DATE

May 2015-To-May 2016



Palmdale Water District
Operating Expense Analysis
For the Five Months Ending 5/31/2016
2016

2015 to 2016 Comparison

	Thru April	May	Year-to-Date	Adjusted Budget	% of Budget	Thru April	May	Year-to-Date	% Change
Cash Operating Expenses:									
Directors	\$ 53,820	\$ 6,976	\$ 60,796	\$ 145,750	41.71%	\$ 13,854	\$ (9,172)	\$ 4,682	8.34%
Administration-Services	489,001	113,240	602,241	1,588,750	37.91%	76,759	33,211	109,970	9.88%
Administration-District	501,713	118,535	620,248	1,612,750	38.46%				
Engineering	384,969	92,200	477,169	1,279,250	37.30%	(35,003)	5,119	(29,883)	-5.89%
Facilities	2,231,543	474,738	2,706,282	6,513,750	41.55%	412,563	32,632	445,195	19.69%
Operations	774,529	201,692	976,221	2,449,250	39.86%	8,761	(2,582)	6,179	0.64%
Finance	400,657	89,999	490,657	1,168,250	42.00%	(356,522)	2,674	(353,848)	-41.90%
Water Conservation	89,693	26,858	116,552	239,250	48.72%	(3,748)	8,059	4,310	3.84%
Human Resources	145,343	24,605	169,949	420,350	40.43%	23,452	(6,353)	17,100	11.19%
Information Technology	232,519	39,573	272,093	867,750	31.36%	(23,644)	1,625	(22,018)	-7.49%
Customer Care	447,153	112,959	560,112	1,386,750	40.39%	226,139	7,448	233,586	71.54%
Source of Supply-Purchased Water	406,191	11,748	417,939	1,725,000	24.23%	(84,760)	91,904	7,144	1.02%
Plant Expenditures	156,477	29,871	186,348	-		14,886	(97,668)	(82,782)	-30.76%
GAC Filter Media Replacement	521,064	-	521,064	934,500	55.76%	(74,980)	-	(74,980)	-12.58%
Total Cash Operating Expenses	\$ 6,834,675	\$ 1,342,994	\$ 8,177,669	\$ 20,331,350	40.22%	\$ 197,756	\$ 66,898	\$ 264,654	3.24%
Non-Cash Operating Expenses:									
Depreciation	\$ 1,948,973	\$ 463,276	\$ 2,412,249	\$ 7,200,000	33.50%	\$ (187,609)	\$ (71,699)	\$ (259,308)	-9.71%
OPEB Accrual Expense	783,441	195,860	979,301	2,250,000	43.52%	49,121	12,280	61,401	6.69%
Bad Debts	26,982	13,834	40,816	50,000	81.63%	25,880	13,834	39,715	
Service Costs Construction	26,628	(3,445)	23,183	125,000	18.55%	17,174	6,124	23,298	
Capitalized Construction	(247,865)	-	(247,865)	(1,000,000)	24.79%	149,609	97,561	247,169	-49.93%
Total Non-Cash Operating Expenses	\$ 2,538,158	\$ 669,525	\$ 3,207,683	\$ 8,625,000	37.19%	\$ 54,175	\$ 58,100	\$ 112,275	3.50%
Non-Operating Expenses:									
Interest on Long-Term Debt	\$ 745,760	\$ 185,210	\$ 930,970	\$ 2,228,000	41.79%	\$ (16,147)	\$ (4,137)	\$ (20,284)	-2.13%
Amortization of SWP	787,582	196,898	984,480	2,238,000	43.99%	96,074	24,021	120,095	13.89%
Change in Investments in PRWA	103,794	-	103,794	-		103,794	(5,093)	98,701	
Water Conservation Programs	6,609	2,974	9,583	126,500	7.58%	(49,330)	(12,143)	(61,473)	-86.51%
Total Non-Operating Expenses	\$ 1,643,745	\$ 385,082	\$ 2,028,828	\$ 4,592,500	44.18%	\$ 134,391	\$ 2,649	\$ 137,040	7.24%
Total Expenses	\$ 11,016,579	\$ 2,397,601	\$ 13,414,180	\$ 33,548,850	39.98%	\$ 386,322	\$ 127,647	\$ 513,969	3.98%

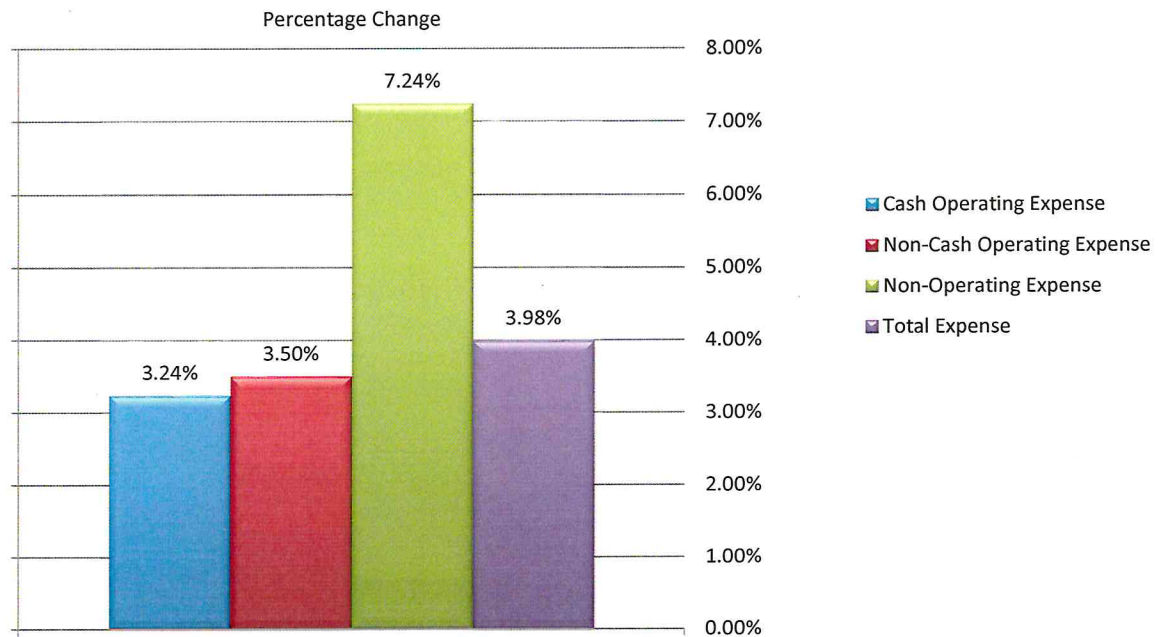
**Palmdale Water District
Operating Expense Analysis
For the Five Months Ending 5/31/2016**

2015 to 2016 Comparison

	2015				
	Thru April	May	Year-to-Date	Adjusted Budget	% of Budget
Cash Operating Expenses:					
Directors	\$ 39,967	\$ 16,148	\$ 56,114	\$ 118,500	47.35%
Administration-Services	913,956	198,564	1,112,519	2,667,250	41.71%
Administration-District					
Engineering	419,972	87,080	507,052	1,252,750	40.48%
Facilities	1,818,981	442,106	2,261,087	5,998,000	37.70%
Operations	765,769	204,273	970,042	2,624,000	36.97%
Finance	757,179	87,325	844,505	2,950,750	28.62%
Water Conservation	93,442	18,800	112,242	284,000	39.52%
Human Resources	121,891	30,958	152,849	326,100	46.87%
Information Technology	256,163	37,948	294,111	782,750	37.57%
Customer Care	221,014	105,511	326,526	-	
Source of Supply-Purchased Water	777,441	(80,157)	697,284	2,400,000	29.05%
Water Purchases-Prior Year OAP	(36,045)	-	(36,045)	250,000	-14.42%
Water Recovery	(250,445)	-	(250,445)	(100,000)	250.45%
Plant Expenditures	141,590	127,539	269,129	1,146,500	23.47%
GAC Filter Media Replacement	596,045	-	596,045	1,896,000	31.44%
Total Cash Operating Expenses	\$ 6,636,919	\$ 1,276,095	\$ 7,913,014	\$ 22,596,600	35.02%
Non-Cash Operating Expenses:					
Depreciation	\$ 2,136,582	\$ 534,975	\$ 2,671,557	\$ 6,450,000	41.42%
OPEB Accrual Expense	734,320	183,580	917,900	2,000,000	45.90%
Bad Debts	1,102	-	1,102	100,000	1.10%
Service Costs Construction	9,454	(9,570)	(116)	125,000	-0.09%
Capitalized Construction	(397,474)	(97,561)	(495,034)	(1,000,000)	49.50%
Total Non-Cash Operating Expenses	\$ 2,483,984	\$ 611,425	\$ 3,095,408	\$ 7,675,000	40.33%
Non-Operating Expenses:					
Interest on Long-Term Debt	\$ 761,907	\$ 189,347	\$ 951,254	\$ 2,111,000	45.06%
Amortization of SWP	691,508	172,877	864,385	1,679,000	51.48%
Change in Investments in PRWA	-	5,093	5,093	-	
Water Conservation Programs	55,939	15,117	71,056	200,000	35.53%
Total Non-Operating Expenses	\$ 1,509,354	\$ 382,434	\$ 1,891,788	\$ 3,990,000	47.41%
Total Expenses	\$ 10,630,257	\$ 2,269,954	\$ 12,900,211	\$ 34,261,600	37.65%

EXPENSE COMPARISON YEAR-TO-DATE

May 2015-To-May 2016



Palmdale Water District
2016 Directors Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-01-4000-000 Directors Pay	\$ 19,800	\$ 50,000	\$ -	\$ 30,200	39.60%
Employee Benefits					
1-01-4005-000 Payroll Taxes	1,515	5,500		3,985	27.54%
1-01-4010-000 Health Insurance	32,586	76,250		43,664	42.74%
Subtotal (Benefits)	34,100	81,750	-	43,664	41.71%
Total Personnel Expenses	<u>\$ 53,900</u>	<u>\$ 131,750</u>	<u>\$ -</u>	<u>\$ 73,864</u>	<u>40.91%</u>
OPERATING EXPENSES:					
1-01-4050-000 Directors Travel, Seminars & Meetings	6,896	14,000		7,104	49.26%
Subtotal Operating Expenses	6,896	14,000	-	7,104	49.26%
Total O & M Expenses	<u>\$ 60,796</u>	<u>\$ 145,750</u>	<u>\$ -</u>	<u>\$ 80,969</u>	<u>41.71%</u>

**Palmdale Water District
2016 Directors Budget
For The Month Of May 2016**

	<u>2016</u>	<u>2015</u>
Personnel Budget:		
1-01-4000-000 Directors Pay	\$ 750	\$ 6,600
Employee Benefits		
1-01-4005-000 Payroll Taxes	57	505
1-01-4010-000 Health Insurance	6,168	4,868
Subtotal (Benefits)	<u>6,226</u>	<u>5,373</u>
Total Personnel Expenses	<u>\$ 6,976</u>	<u>\$ 11,973</u>
OPERATING EXPENSES:		
1-01-4050-000 Directors Travel, Seminars & Meetings	<u>3,753</u>	<u>4,213</u>
Subtotal Operating Expenses	<u>3,753</u>	<u>4,213</u>
Total O & M Expenses	<u>\$ 10,728</u>	<u>\$ 16,186</u>

	Directors Pay		Health Ins.	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Alvarado	0	1500	1,600	1,591
Dino	0	0	1,134	1,125
Dizmang	0	1,050	0	0
Estes	0	3,000	1,591	1,566
Henriquez	750	0	1,257	0
Mac Laren	0	1,050	587	586
	<u>750</u>	<u>6,600</u>	<u>6,168</u>	<u>4,868</u>
	Operating			
	<u>2016</u>	<u>2015</u>		
Alvarado	1,002	65		
Dino	1,458	731		
Dizmang	0	989		
Estes	1,209	889		
Henriquez	83	0		
Mac Laren	0	1539		
	<u>3,753</u>	<u>4213</u>		

Palmdale Water District
2016 Administration District Wide Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-5070-001 On-Call	\$ 30,676	\$ 95,000		\$ 64,325	32.29%
Subtotal (Salaries)	\$ 30,676	\$ 95,000	\$ -	\$ 64,325	32.29%
Employee Benefits					
1-02-5070-002 PERS-Unfunded Liability	\$ 157,840	\$ 404,750		246,910	39.00%
1-02-5070-003 Workers Compensation	28,450	125,000		96,550	22.76%
1-02-5070-004 Vacation Benefit Expense	14,238	35,000		20,762	40.68%
1-02-5070-005 Life Insurance	2,705	8,000		5,295	33.81%
Subtotal (Benefits)	\$ 203,234	\$ 572,750	\$ -	\$ 369,516	35.48%
Total Personnel Expenses	\$ 233,909	\$ 667,750	\$ -	\$ 433,841	35.03%
OPERATING EXPENSES:					
1-02-5070-006 Other Operating	\$ 3,170	\$ 20,000		16,830	15.85%
1-02-5070-007 Consultants	34,580	160,000		125,420	21.61%
1-02-5070-008 Insurance	122,882	300,000		177,118	40.96%
1-02-5070-009 Groundwater Adjudication	20,176	80,000		59,824	25.22%
1-02-5070-010 Legal Services	45,069	160,000		114,931	28.17%
1-02-5070-011 Memberships/Subscriptions	55,581	150,000		94,419	37.05%
1-02-5070-012 Elections	104,882	75,000		(29,882)	139.84%
Subtotal Operating Expenses	\$ 386,339	\$ 945,000	\$ -	\$ 558,661	40.88%
Total Departmental Expenses	\$ 620,248	\$ 1,612,750	\$ -	\$ 992,502	38.46%

Palmdale Water District
2016 Administration Services Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-02-4000-000 Salaries	\$ 356,385	\$ 982,000		\$ 625,615	36.29%
1-02-4000-100 Overtime	2,757	8,250		5,493	33.42%
Subtotal (Salaries)	\$ 359,142	\$ 990,250	\$ -	\$ 631,108	36.27%
Employee Benefits					
1-02-4005-000 Payroll Taxes	\$ 27,067	\$ 74,000		46,933	36.58%
1-02-4010-000 Health Insurance	56,000	135,000		79,000	41.48%
1-02-4015-000 PERS	43,582	117,500		73,918	37.09%
Subtotal (Benefits)	\$ 126,648	\$ 326,500	\$ -	\$ 199,852	38.79%
Total Personnel Expenses	\$ 485,791	\$ 1,316,750	\$ -	\$ 830,959	36.89%
OPERATING EXPENSES:					
1-02-4050-100 General Manager Travel	\$ 1,548	\$ 5,000		3,452	30.95%
1-02-4060-100 General Manager Conferences & Seminars	1,455	4,000		2,545	36.38%
1-02-4130-000 Bank Charges	63,696	140,000		76,304	45.50%
1-02-4150-000 Accounting Services	19,300	27,500		8,200	70.18%
1-02-4175-000 Permits	1,506	10,000		8,494	15.06%
1-02-4180-000 Postage	6,409	27,500		21,091	23.31%
1-02-4190-100 Public Relations - Publications	8,864	35,000		26,136	25.33%
1-02-4190-900 Public Relations - Other	240	1,000		760	24.00%
1-02-4200-000 Advertising	1,337	4,000		2,663	33.43%
1-02-4205-000 Office Supplies	7,569	18,000		10,431	42.05%
1-02-4210-000 Office Furniture	4,527	-		(4,527)	0.00%
Subtotal Operating Expenses	\$ 116,450	\$ 272,000	\$ -	\$ 155,550	42.81%
Total Departmental Expenses	\$ 602,241	\$ 1,588,750	\$ -	\$ 986,509	37.91%

Palmdale Water District
2016 Engineering Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-03-4000-000 Salaries	\$ 320,653	\$ 852,000		\$ 531,347	37.64%
1-03-4000-100 Overtime	3,515	6,750		3,235	52.08%
Subtotal (Salaries)	\$ 324,168	\$ 858,750		\$ 534,582	37.75%
Employee Benefits					
1-03-4005-000 Payroll Taxes	24,577	64,000		39,423	38.40%
1-03-4010-000 Health Insurance	71,997	155,000		83,003	46.45%
1-03-4015-000 PERS	37,416	101,000		63,584	37.05%
Subtotal (Benefits)	\$ 133,991	\$ 320,000	\$ -	\$ 186,009	41.87%
Total Personnel Expenses	\$ 458,159	\$ 1,178,750	\$ -	\$ 720,591	38.87%
OPERATING EXPENSES:					
1-03-4155-000 Contracted Services	10,900	64,000		53,100	17.03%
1-03-4165-000 Memberships/Subscriptions	1,228	2,500		1,273	49.10%
1-03-4250-000 General Materials & Supplies	2,135	3,000		865	71.17%
1-03-8100-100 Computer Software - Maint. & Support	4,747	31,000		26,253	15.31%
Subtotal Operating Expenses	\$ 19,010	\$ 100,500	\$ -	\$ 81,490	18.92%
Total Departmental Expenses	\$ 477,169	\$ 1,279,250	\$ -	\$ 802,081	37.30%

Palmdale Water District
2016 Facilities Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-04-4000-000 Salaries	\$ 755,729	\$ 2,083,750		\$ 1,328,022	36.27%
1-04-4000-100 Overtime	36,517	90,000		53,483	40.57%
Subtotal (Salaries)	\$ 792,245	\$ 2,173,750	\$ -	\$ 1,381,505	36.45%
Employee Benefits					
1-04-4005-000 Payroll Taxes	61,575	166,500		104,925	36.98%
1-04-4010-000 Health Insurance	199,060	444,500		245,440	44.78%
1-04-4015-000 PERS	83,710	257,500		173,790	32.51%
Subtotal (Benefits)	\$ 344,345	\$ 868,500	\$ -	\$ 524,155	39.65%
Total Personnel Expenses	\$ 1,136,591	\$ 3,042,250	\$ -	\$ 1,905,659	37.36%
OPERATING EXPENSES:					
1-04-4155-000 Contracted Services	\$ 405,612	\$ 488,000		\$ 82,388	83.12%
1-04-4175-000 Permits-Dams	10,985	50,000		39,015	21.97%
1-04-4215-100 Natural Gas - Wells & Boosters	31,716	225,000		193,284	14.10%
1-04-4215-200 Natural Gas - Buildings	3,416	9,000		5,584	37.95%
1-04-4220-100 Electricity - Wells & Boosters	500,696	1,480,000		979,304	33.83%
1-04-4220-200 Electricity - Buildings	22,747	88,000		65,253	25.85%
1-04-4225-000 Maint. & Repair - Vehicles	14,768	35,000		20,232	42.19%
1-04-4230-100 Maint. & Rep. Office Building	18,136	15,000		(3,136)	120.90%
1-04-4235-110 Maint. & Rep. Equipment	357	6,500		6,143	5.50%
1-04-4235-400 Maint. & Rep. Operations - Wells	58,041	75,000		16,959	77.39%
1-04-4235-405 Maint. & Rep. Operations - Boosters	26,446	50,000		23,554	52.89%
1-04-4235-410 Maint. & Rep. Operations - Shop Bldgs	1,169	10,000		8,831	11.69%
1-04-4235-415 Maint. & Rep. Operations - Facilities	18,472	15,000		(3,472)	123.14%
1-04-4235-420 Maint. & Rep. Operations - Water Lines	128,506	225,000		96,494	57.11%
1-04-4235-425 Maint. & Rep. Operations - Littlerock Dam	3,621	15,000		11,379	24.14%
1-04-4235-430 Maint. & Rep. Operations - Palmdale Dam	87	7,500		7,413	1.16%
1-04-4235-435 Maint. & Rep. Operations - Palmdale Canal	-	10,000		10,000	0.00%
1-04-4235-440 Maint. & Rep. Operations - Large Meters	16,952	10,000		(6,952)	169.52%
1-04-4235-445 Maint. & Rep. Operations - Telemetry	1,038	4,000		2,962	25.95%
1-04-4235-450 Maint. & Rep. Operations - Hypo Generators	-	10,000		10,000	0.00%
1-04-4235-455 Maint. & Rep. Operations - Heavy Equipment	17,788	45,000		27,212	39.53%
1-04-4235-460 Maint. & Rep. Operations - Storage Reservoirs	1,772	5,000		3,228	35.44%
1-04-4235-470 Maint. & Rep. Operations - Meters Exchanges	151,638	225,000		73,362	67.39%
1-04-4270-300 Telecommunication - Other	2,187	4,000		1,813	54.68%
1-04-4300-200 Testing - Large Meters	9,032	12,500		3,468	72.25%
1-04-4300-300 Testing - Edison Testing	-	30,000		30,000	0.00%
1-04-6000-000 Waste Disposal	5,824	20,000		14,176	29.12%
1-04-6100-100 Fuel and Lube - Vehicle	27,970	105,000		77,030	26.64%
1-04-6100-200 Fuel and Lube - Machinery	11,222	40,000		28,778	28.06%
1-04-6200-000 Uniforms	11,407	22,500		11,093	50.70%
1-04-6300-100 Supplies - General	23,405	47,500		24,095	49.27%
1-04-6300-200 Supplies - Hypo Generators	4,560	6,500		1,941	70.15%
1-04-6300-300 Supplies - Electrical	836	3,000		2,164	27.86%
1-04-6300-400 Supplies - Telemetry	203	5,000		4,797	4.07%
1-04-6300-800 Supplies - Construction Materials	22,560	35,000		12,440	64.46%
1-04-6400-000 Tools	8,747	25,000		16,253	34.99%
1-04-7000-100 Leases -Equipment	7,775	12,500		4,725	62.20%
Subtotal Operating Expenses	\$ 1,569,691	\$ 3,471,500	\$ -	\$ 1,901,809	45.22%
Total Departmental Expenses	\$ 2,706,282	\$ 6,513,750	\$ -	\$ 3,807,468	41.55%

Palmdale Water District
2016 Operation Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-05-4000-000 Salaries	\$ 404,860	\$ 1,012,500		\$ 607,640	39.99%
1-05-4000-100 Overtime	15,400	56,000		40,600	27.50%
Subtotal (Salaries)	\$ 420,260	\$ 1,068,500	\$ -	\$ 648,240	39.33%
Employee Benefits					
1-05-4005-000 Payroll Taxes	32,288	84,500		52,212	38.21%
1-05-4010-000 Health Insurance	84,861	183,500		98,639	46.25%
1-05-4015-000 PERS	48,315	137,750		89,435	35.07%
Subtotal (Benefits)	\$ 165,464	\$ 405,750	\$ -	\$ 240,286	40.78%
Total Personnel Expenses	\$ 585,724	\$ 1,474,250	\$ -	\$ 888,526	39.73%
OPERATING EXPENSES:					
1-05-4155-000 Contracted Services	\$ 6,819	\$ 93,500		\$ 86,681	7.29%
1-05-4175-000 Permits	13,787	40,000		26,213	34.47%
1-05-4215-200 Natural Gas - WTP	573	3,000		2,427	19.10%
1-05-4220-200 Electricity - WTP	44,972	125,000		80,028	35.98%
1-05-4230-110 Maint. & Rep. - Office Equipment	126	500		374	25.17%
1-05-4235-110 Maint. & Rep. Operations - Equipment	8,661	11,500		2,839	75.31%
1-05-4235-410 Maint. & Rep. Operations - Shop Bldgs	6,622	6,000		(622)	110.37%
1-05-4235-415 Maint. & Rep. Operations - Facilities	25,627	45,000		19,373	56.95%
1-05-4235-450 Maint. & Rep. Operations - Hypo Generator	64,008	18,000		(46,008)	355.60%
1-05-4235-500 Maint. & Rep. Operations - Wind Turbine	2,720	10,000		7,280	27.20%
1-05-6000-000 Waste Disposal	2,312	20,000		17,688	11.56%
1-05-6200-000 Uniforms	6,038	16,000		9,962	37.74%
1-05-6300-100 Supplies - General	5,895	15,000		9,105	39.30%
1-05-6300-600 Supplies - Lab	22,538	40,000		17,462	56.34%
1-05-6300-700 Outside Lab Work	33,640	92,000		58,360	36.57%
1-05-6400-000 Tools	1,490	6,500		5,010	22.93%
1-05-6500-000 Chemicals	144,668	400,000		255,332	36.17%
1-05-7000-100 Leases -Equipment	-	3,000		3,000	0.00%
3-05-4300-100 Filter Media Testing/Inspection	-	30,000		30,000	0.00%
Subtotal Operating Expenses	\$ 390,497	\$ 975,000	\$ -	\$ 554,503	40.05%
Total Departmental Expenses	\$ 976,221	\$ 2,449,250	\$ -	\$ 1,443,029	39.86%

Palmdale Water District
2016 Finance Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-06-4000-000 Salaries	\$ 259,039	\$ 670,250		\$ 411,211	38.65%
1-06-4000-100 Overtime	236	3,000		2,764	7.88%
Subtotal (Salaries)	\$ 259,276	\$ 673,250	\$ -	\$ 413,974	38.51%
Employee Benefits					
1-06-4005-000 Payroll Taxes	19,527	49,000		29,473	39.85%
1-06-4010-000 Health Insurance	40,851	83,000		42,149	49.22%
1-06-4015-000 PERS	31,889	87,000		55,111	36.65%
Subtotal (Benefits)	\$ 92,266	\$ 219,000	\$ -	\$ 126,734	42.13%
Total Personnel Expenses	\$ 351,542	\$ 892,250	\$ -	\$ 540,708	39.40%
OPERATING EXPENSES:					
1-06-4155-000 Contracted Services	\$ 1,700	\$ 6,000		\$ 4,300	28.33%
1-06-4155-100 Contracted Services - Infosend	115,278	225,000		109,722	51.23%
1-06-4165-000 Memberships/Subscriptions	220	500		280	44.00%
1-06-4230-110 Maintenance & Repair - Office Equipment	-	500		500	0.00%
1-06-4250-000 General Material & Supplies	321	3,000		2,679	10.69%
1-06-4260-000 Business Forms	2,197	7,500		5,303	29.29%
1-06-4270-100 Telecommunication - Office	9,748	12,000		2,252	81.23%
1-06-4270-200 Telecommunication - Cellular Stipend	8,405	18,500		10,095	45.43%
1-06-7000-100 Leases - Equipment	1,246	3,000		1,754	41.54%
Subtotal Operating Expenses	\$ 139,114	\$ 276,000	\$ -	\$ 136,886	50.40%
Total Departmental Expenses	\$ 490,657	\$ 1,168,250	\$ -	\$ 677,593	42.00%

Palmdale Water District
2016 Water Conservation Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-07-4000-000 Salaries	\$ 64,757	\$ 129,000		\$ 64,243	50.20%
1-07-4000-100 Overtime	-	1,000		1,000	0.00%
Subtotal (Salaries)	\$ 64,757	\$ 130,000		\$ 65,243	49.81%
Employee Benefits					
1-07-4005-000 Payroll Taxes	4,979	10,000		5,021	49.79%
1-07-4010-000 Health Insurance	18,052	38,000		19,948	47.50%
1-07-4015-000 PERS	3,787	17,250		13,463	21.95%
Subtotal (Benefits)	\$ 26,818	\$ 65,250	\$ -	\$ 38,432	41.10%
Total Personnel Expenses	\$ 91,575	\$ 195,250	\$ -	\$ 102,675	46.90%
OPERATING EXPENSES:					
1-07-4190-300 Public Relations - Landscape Workshop/Training	\$ 5,116	\$ 1,000		\$ (4,116)	511.59%
1-07-4190-400 Public Relations - Contests	-	1,000		1,000	0.00%
1-07-4190-500 Public Relations - Education Programs	-	2,500		2,500	0.00%
1-07-4190-700 Public Relations -General Media	14,810	25,000		10,190	59.24%
1-07-4190-900 Public Relations - Other	3,102	2,000		(1,102)	155.12%
1-07-4500-000 Drought Enforcement	-	7,500		7,500	0.00%
1-07-6300-100 Supplies - Misc.	1,949	5,000		3,051	38.97%
Subtotal Operating Expenses	\$ 24,977	\$ 44,000	\$ -	\$ 19,023	56.77%
Total Departmental Expenses	\$ 116,552	\$ 239,250	\$ -	\$ 121,698	48.72%

Palmdale Water District
2016 Human Resources Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-08-4000-000 Salaries	\$ 43,734	\$ 116,000		72,266	37.70%
1-08-4000-100 Salaries - Overtime	\$ 4				
1-08-4000-200 Salaries - Intern Program	21,226	40,000		18,774	53.06%
Subtotal (Salaries)	\$ 64,964	\$ 156,000		\$ 91,040	41.64%
Employee Benefits					
1-08-4005-000 Payroll Taxes	4,995	15,250		10,255	32.75%
1-08-4010-000 Health Insurance	9,283	18,250		8,967	50.87%
1-08-4015-000 PERS	2,855	7,250		4,395	39.38%
Subtotal (Benefits)	\$ 17,133	\$ 40,750	\$ -	\$ 23,617	42.04%
Total Personnel Expenses	\$ 82,097	\$ 196,750	\$ -	\$ 114,657	41.73%
OPERATING EXPENSES:					
1-08-4050-000 Staff Travel	\$ 15,740	\$ 27,500		\$ 11,760	57.24%
1-08-4060-000 Staff Conferences & Seminars	8,870	25,000		16,130	35.48%
1-08-4070-000 Employee Expense	32,894	60,000		27,106	54.82%
1-08-4095-000 Employee Recruitment	-	3,000		3,000	0.00%
1-08-4100-000 Employee Retention	2,874	20,000		17,126	14.37%
1-08-4105-000 Employee Relations	929	3,500		2,571	26.53%
1-08-4110-000 Consultants	3,797	1,000		(2,797)	379.68%
1-08-4120-100 Training-Safety	9,478	35,000		25,522	27.08%
1-08-4120-200 Training-Speciality	3,747	25,000		21,253	14.99%
1-08-4121-000 Safety Program	292	1,000		708	29.15%
1-08-4165-000 Membership/Subscriptions	589	1,600		1,011	36.81%
1-08-4165-100 HR/Safety Publications	-	1,000		1,000	0.00%
1-08-6300-500 Supplies - Safety	8,642	20,000		11,358	43.21%
Subtotal Operating Expenses	\$ 87,852	\$ 223,600	\$ -	\$ 135,748	39.29%
Total Departmental Expenses	\$ 169,949	\$ 420,350	\$ -	\$ 250,405	40.43%

Palmdale Water District
2016 Information Technology Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-09-4000-000 Salaries	\$ 83,362	\$ 225,500		\$ 142,138	36.97%
1-09-4000-100 Overtime	1,447	2,500		1,053	57.87%
Subtotal (Salaries)	\$ 84,808	\$ 228,000		\$ 143,192	37.20%
Employee Benefits					
1-09-4005-000 Payroll Taxes	6,452	16,000		9,548	40.32%
1-09-4010-000 Health Insurance	17,501	38,000		20,499	46.06%
1-09-4015-000 PERS	11,048	29,500		18,452	37.45%
Subtotal (Benefits)	\$ 35,001	\$ 83,500	\$ -	\$ 48,499	41.92%
Total Personnel Expenses	\$ 119,809	\$ 311,500	\$ -	\$ 190,638	38.46%
OPERATING EXPENSES:					
1-09-4155-000 Contracted Services	\$ 15,311	\$ 121,500		\$ 106,190	12.60%
1-09-4165-000 Memberships/Subscriptions	150	2,000		1,850	7.50%
1-09-4270-000 Telecommunications	32,008	79,250		47,242	40.39%
1-09-8000-100 Computer Equipment - Computers	9,068	20,000		10,932	45.34%
1-09-8000-200 Computer Equipment - Laptops	6,493	16,000		9,507	40.58%
1-09-8000-300 Computer Equipment - Monitors	-	2,000		2,000	0.00%
1-09-8000-500 Computer Equipment - Toner Cartridges	71	3,000		2,929	2.37%
1-09-8000-550 Computer Equipment - Telephony	-	2,500		2,500	0.00%
1-09-8000-600 Computer Equipment - Other	11,016	40,000		28,984	27.54%
1-09-8100-100 Computer Software - Maint. and Support	7,543	60,000		52,457	12.57%
1-09-8100-140 Computer Software - Starnik	39,500	130,000		90,500	30.38%
1-09-8100-150 Computer Software - Dynamics GP Support	29,660	60,000		30,340	49.43%
1-09-8100-200 Computer Software - Software and Upgrades	1,464	20,000		18,536	7.32%
Subtotal Operating Expenses	\$ 152,284	\$ 556,250	\$ -	\$ 403,966	27.38%
Total Departmental Expenses	\$ 272,093	\$ 867,750	\$ -	\$ 594,604	31.36%

Palmdale Water District
2016 Customer Care Budget
For the Five Months Ending Tuesday, May 31, 2016

	YTD ACTUAL 2016	ORIGINAL BUDGET 2016	ADJUSTMENTS 2016	ADJUSTED BUDGET REMAINING	PERCENT USED
Personnel Budget:					
1-10-4000-000 Salaries	\$ 356,648	\$ 929,250		\$ 572,602	38.38%
1-10-4000-100 Overtime	3,688	10,000		6,312	36.88%
Subtotal (Salaries)	\$ 360,336	\$ 939,250	\$ -	\$ 578,914	38.36%
Employee Benefits					
1-10-4005-000 Payroll Taxes	28,537	71,500		42,963	39.91%
1-10-4010-000 Health Insurance	113,668	217,000		103,332	52.38%
1-10-4015-000 PERS	46,145	119,000		72,855	38.78%
Subtotal (Benefits)	\$ 188,349	\$ 407,500	\$ -	\$ 219,151	46.22%
Total Personnel Expenses	\$ 548,685	\$ 1,346,750	\$ -	\$ 798,065	40.74%
OPERATING EXPENSES:					
1-10-4155-000 Contracted Services	\$ 7,562	\$ 22,000		\$ 14,438	34.37%
1-10-4230-110 Maintenance & Repair-Office Equipment	-	500		500	0.00%
1-10-4250-000 General Material & Supplies	3,865	7,500		3,635	51.54%
1-10-4260-000 Business Forms	-	10,000		10,000	0.00%
Subtotal Operating Expenses	\$ 11,427	\$ 40,000	\$ -	\$ 28,573	28.57%
Total Departmental Expenses	\$ 560,112	\$ 1,386,750	\$ -	\$ 826,638	40.39%

Information for this item will be distributed at the Board meeting.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: July 6, 2016 **July 13, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Jon M. Pernula, Water and Energy Resources Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION
ON RESOLUTION NO. 16-8 RECOGNIZING PERSISTENT YET LESS
SEVERE DROUGHT CONDITIONS THROUGHOUT CALIFORNIA
DECLARING EMERGENCY WATER CONSERVATION REGULATIONS
AND AFFIRMING STATE WATER RESOURCES CONTROL BOARD’S
REGULATIONS ENSURING A WATER SUPPLY ASSUMING THREE
MORE DRY YEARS AND ADOPTION OF REGULATIONS AND
RESTRICTIONS ON THE DELIVERY AND CONSUMPTION OF
WATER FOR PUBLIC USE***

Recommendation:

Staff recommends the Board adopt Resolution No. 16-8 being a Resolution of the Board of Directors of the Palmdale Water District Declaring Continued Emergency Water Conservation Restrictions and affirming State Water Resources Control Board (SWRCB) Regulations on the Delivery and Consumption of Water for the Purpose of Achieving a Self-certified 15% Voluntary Reduction in Potable Water Use and Enacting Stage 1 of Palmdale Water District’s 2015 Urban Water Management Plan Calling for Conservation in Compliance With the State Water Resources Control Board’s Emergency Conservation Regulation as Amended On May 31, 2016.

Background:

The 2015 water year was the fourth consecutive dry year and delivered historically low snowpack. In 2016, water resources and reserves in the state started at historically low levels. Winter 2016 saw improved hydrologic conditions in parts of California. More rain and snow fell in Northern California as compared to Central and Southern California; yet, due to California’s water storage and conveyance systems, concerns over supply reliability have eased compared to last year throughout urban California. Consequently, the unprecedented mandatory state-driven conservation standards in place over the last ten months are transitioning to conservation standards based on supply reliability considerations at the local level. However, conservation standards are still needed in case this winter was a short reprieve in a longer drought.

On May 18, 2016, the State Water Resources Control Board adopted a statewide water conservation approach that replaces the prior percentage reduction-based water conservation standard with a localized “stress test” approach that mandates urban water suppliers act now to ensure at least a three year supply of water to their customers under drought conditions.

July 6, 2016

The adopted regulation establishes standards with locally developed conservation targets based upon each agency's specific circumstances. The regulation now requires individual urban water suppliers to self-certify the level of available water supplies they have assuming three additional dry years and the level of conservation necessary to assure adequate supply over that time. District staff completed and submitted the SWRCB worksheets for self-certification and now recommends that the District adopt a 15% voluntary conservation standard under PWD's stage 1 Water Shortage Contingency Plan (2015 UWMP) to help insure adequate supplies in the event drought conditions persist for the specified additional three years.

In order to comply with the Governor's order and with the State Board's amended regulations, District staff is recommending adoption of Resolution No. 16-8 and extension of Stage 1 voluntary conservation per our 2015 Urban Water Management Plan's Water Shortage Contingency Provision. This Resolution declares a continued water shortage rationing, extends mandatory water conservation restrictions, and complies with the State Water Resources Control Board's current regulations on the delivery and consumption of water for public use.

Strategic Plan Initiative:

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

Budget:

Conservation resulting from the extension of Stage 1 Voluntary Conservation Restrictions may have a negative impact on revenues from decreased water sales.

Supporting Documents:

- Resolution No. 16-8
- Executive Order B-37-16
- SWRCB Extended Emergency Water Conservation Regulation Adopted Text

**PALMDALE WATER DISTRICT
RESOLUTION NO. 16-8**

**RESOLUTION OF THE BOARD OF DIRECTORS
OF PALMDALE WATER DISTRICT
RECOGNIZING PERSISTENT YET LESS SEVERE DROUGHT CONDITIONS
THROUGHOUT CALIFORNIA
DECLARING EMERGENCY WATER CONSERVATION REGULATIONS
AND AFFIRMING STATE WATER RESOURCES CONTROL BOARD'S REGULATIONS
ENSURING A WATER SUPPLY ASSUMING THREE MORE DRY YEARS AND
ADOPTION OF REGULATIONS AND RESTRICTIONS ON THE DELIVERY AND
CONSUMPTION OF WATER FOR PUBLIC USE**

WHEREAS, Palmdale Water District ("District") is a water district empowered to provide water service within District boundaries; and

WHEREAS, due to inadequate water storage, opposition to the development and construction of water supply facilities, and legal restrictions on the flow of State Water Project water to Southern California, California in general, and the Antelope Valley, in particular, has been experiencing shortages in water supplies; and

WHEREAS, the State Water Project final allocation for 2016 has been established at 60% and deliveries have, therefore, been reduced in response to the inadequacy of water supplies; and

WHEREAS, groundwater supplies which provide a supplemental source of water to the District, are limited in nature, being subjected to increased demands, and now subject to legal rulings arising from a groundwater basin adjudication action that further limit the District groundwater supplies; and

WHEREAS, conservation of water by all District consumers is necessary to relieve the problems caused by the shortage in water supplies; and

WHEREAS, the District has attempted, through its public information program, to advise and alert the consumers to the serious nature of the water supply situation. Customers have made significant progress in water use efficiency from pre-2009 by exceeding the State required 20% reduction by the year 2020 under SBX 7-7; and

WHEREAS, on May 9, 2016 the Governor issued an Executive Order B 37-16 that orders provisions contained in his January 17, 2014 Emergency Proclamation, April 25, 2014 Emergency Proclamation, Executive orders B-26-14, B-28-14, B-29-15 and B-36-15 remain in full force and effect except as modified by B-37-16 and further directs the State Board to adjust and extend its emergency water conservation regulations through the end of January 2017; and

WHEREAS, the District adopted Resolution No. 16-5 on February 10, 2016 extending heightened water conservation by customers in response to drought and the April 25, 2014 Governor's Proclamation; and

WHEREAS, Water Code Section 1058.5 grants the State Water Resources Control Board the authority to adopt emergency regulations in certain drought years in order to: "prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation;" and

WHEREAS, on May 31, 2016, the State Water Resource Control Board adopted a resolution extending and revising Emergency Conservation Regulations such that they shall carry through the end of January 2017 including revisions providing for self-certification by local water suppliers for three year water supply reliability during an additional three years of drought; and

WHEREAS, following the making of findings as required by law, the District has the power and authority to adopt mandatory water conservation measures within its boundaries pursuant to Part 5 of the Irrigation District Law, codified at Division 11 of the California Water Code; and

WHEREAS, the District is required to comply with State law, including regulations adopted by the State Water Resources Control Board (SWRCB), codified at Title 23 of the California Code of Regulations and is authorized pursuant thereto to implement its requirements; and

WHEREAS, the District desires to comply with the SWRCB emergency water conservation regulations and to apply the Stage 1 Water Shortage Contingency Plan contained in the District's 2015 Urban Water Management Plan, including voluntary water reductions which measures have been implemented; and

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

Section 1: Findings: The Board of Directors of the District hereby finds and declares as follows:

1) On May 31, 2016, the State Water Resource Control Board adopted a resolution extending and revising Emergency Conservation Regulations such that they shall carry through the end of January 2017 requiring the District to implement its water conservation measures.

2) The 2016 State Water Project water available to the District is at (60%) allocation.

3) Continued production of water from the groundwater basin without proportionate recharge of the basin through stream runoff, rainfall, and snow melt could result in irreparable damage to the storage capacity of the basin aquifers and impair the long-term water delivery capability of the District.

4) Voluntary and mandatory water conservation measures would be necessary to maintain sufficient water supply to meet demand in three more years of ongoing drought.

5) At present, without supplemental supplies, the anticipated water available to the District is insufficient to meet anticipated demands over a projected three year continuation of the drought.

6) Should existing drought conditions continue, or should the District lose its water production capacity, there may be insufficient water available for human consumption, sanitation and fire protection.

Section 2: Reinstatement of Stage 1 Water Shortage Rationing: The Board of Directors of the District, in accordance with the foregoing findings, hereby determines and declares the existence of a continuing emergency condition of water shortage within its service area and further determines and declares that the regulations and restrictions on delivery of water and consumption of water within its service area as hereinafter set forth are necessary, in the sound discretion of the Board of Directors of the District, to conserve the water supply for the greatest public benefit with particular regard to domestic use, sanitation, and fire protection.

Section 3: Authorization to Implement Restrictions on Water Consumption: The Board of Directors of the District hereby authorizes the General Manager of the District to take specific steps to meet water conservation goals, regulations, and restrictions on water consumption as hereinafter set forth.

Section 4: Conservation Goal and Authorized Actions. The conservation goal of the District and the State Water Board is a reduction in water use of Fifteen percent (15%) when compared against usage in 2013, which goal is mandatory through January, 2017. The General Manager is authorized to implement Action 1 Paragraphs 1 through 13 of this Resolution to meet said conservation goal.

Action 1. Mandatory Water Conservation Regulations. The General Manager shall take all steps necessary to advise the District's customers of the following mandatory regulations and to enforce them in accordance with the SWRCB's permanent prohibitions of practices that waste potable water and the existing PWD Waste of Water Policy:

1. There shall be no hose washing of sidewalks, walkways, buildings, walls, patios, driveways, parking areas or other paved surfaces, or walls, except to eliminate conditions dangerous to public health or safety or when required as surface preparation for the application of architectural coating or painting.
2. Washing of motor vehicles, trailers, boats and other types of equipment shall be done only with a hand-held nozzle for quick rinses, except that washing may be done with reclaimed wastewater or by a commercial car wash using recycled water.
3. No water shall be used to clean, fill or maintain levels in decorative fountains, ponds, lakes or other similar aesthetic structures unless such water is part of a closed recycling system.

4. No restaurant, hotel, cafe, cafeteria or other public place where food is sold, served or offered for sale, shall serve drinking water to any customer unless expressly requested and shall display a notice to that effect.
5. All water users shall promptly repair all leaks from indoor and outdoor plumbing fixtures.
6. No lawn, landscape, or other turf area shall be watered during the hours between 10:00 a.m. and 6:00 p.m. Water days will be set as follows: No water day restrictions required.
7. Irrigation with potable water of ornamental turf on public street medians is prohibited.
8. Irrigation with potable water outside of newly constructed homes and buildings not delivered by drip or microspray is prohibited.

Exemptions:

- a. No watering hour restrictions during the months of November, December, January, February, and March. Watering can occur between the hours of 10:00 am and 6:00 pm.
9. No water users shall cause or allow the water to run off landscape areas into adjoining streets, sidewalks, or other paved areas due to incorrectly directed or maintained sprinklers or excessive watering. If cited, random acts of vandalism will be considered in any appeal.
10. No water shall be applied to outdoor landscapes during and within 48 hours of measurable rainfall.
11. The owner and manager of every hotel, motel, inn, guest house, bed and breakfast facility, and short-term commercial lodging shall post a notice of such shortage and any necessary compliance measures.
12. Commercial nurseries, golf courses, parks, school yards, and other public open space, and landscaped areas shall be prohibited from watering lawn, landscaping, and other turf areas more between the hours of 6:00 a.m. and 6:00 p.m. except that there shall be no restriction on watering utilizing reclaimed water or where public use requires a modified and approved watering schedule.

Exemptions:

- a. Athletic field watering can occur between the hours of 6:00 p.m. and 10:00 a.m. the following morning.
 - b. No watering hour restrictions during the months of November, December, January, February, and March. Water can occur between the hours of 6:00 a.m. and 6:00 p.m.
 - c. Watering schedules must be adhered to at all times. The District requires advance written notice of any maintenance activities requiring water use between the hours of 6:00 a.m. and 6:00 p.m.
13. The use of water from fire hydrants shall be limited to fire fighting and related activities and other uses of water for municipal purposes shall be limited to activities necessary to maintain the public health, safety, and welfare. Construction meter use in accordance with standard District policy will be allowed under this resolution.

Action 2: Voluntary Water Rationing: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased water rationing to protect the water supply of the District and to guarantee adequate supply for domestic use, sanitation, and fire protection as follows:

1. Stage 1: Water Rationing: A fifteen percent (15%) reduction in water deliveries to all District customers.

Action 3: Extension of Drought Surcharge: Upon specific authorization by the Board of Directors, the General Manager shall implement a phased drought surcharge to cover costs due to lost revenue during voluntary water cutbacks.

1. Stage 1: Drought Surcharge: A 45 cent surcharge on all non-essential usage tiers. The Stage 1 Drought Surcharge as implemented June 1, 2015. (Tiers 2-6)

Section 5: Duration of Water Shortage Rationing: The regulations, restrictions, and actions set forth herein shall take full force and effect immediately upon authorization by the Board of Directors and shall remain in full force and effect through January, 2017 or until otherwise directed by the SWRCB.

Section 6: Appeal: Decisions made by the District under the regulations set forth in this Resolution may be appealed by consumers in accordance with the procedure set forth in the District Rules and Regulations.

Section 7: Violation: A violation of the regulations and restrictions set forth herein will result in progressive warnings, fines, or result in the discontinuance of service to consumers willfully violating the conservation measures set forth herein or such other penalty or restriction as may be

allowed by law. The Stage 1 fines under Water Shortage Emergency Plan (2010 UWMP) will be set as follows:

1. First violation will result in a documented warning.
2. Second violation will result in a fine of \$50
3. Third violation will result. result in a fine of \$250
4. Fourth violation will in a fine of \$500
5. Fifth Violation will result in discontinuance of service.

Section 8: Severability: If any portion of this Resolution is found to be unconstitutional or invalid, the District hereby declares that it would have enacted the remainder of this Resolution regardless of the absence of any such valid part.

Section 9: Effective Date: This Resolution shall take effect immediately.

BE IT FURTHER RESOLVED, that the Board of Directors finds that the provisions of this Resolution are exempt from the provisions of the California Environmental Quality Act as an action to mitigate emergency conditions and as a rate setting measure pursuant to Public Resources Code §21080(b)(4) and (8).

PASSED AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on July 13, 2016.

President, Board of Directors
Palmdale Water District

Secretary, Board of Directors
Palmdale Water District

APPROVED AS TO FORM:

Aleshire & Wynder, LLP
District Legal Counsel

Executive Department

State of California

EXECUTIVE ORDER B-37-16 MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE

WHEREAS California has suffered through a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by 23.9% between June 2015 and March 2016 and saving enough water during this period to provide 6.5 million Californians with water for one year; and

WHEREAS severe drought conditions persist in many areas of the state despite recent winter precipitation, with limited drinking water supplies in some communities, diminished water for agricultural production and environmental habitat, and severely-depleted groundwater basins; and

WHEREAS drought conditions may persist in some parts of the state into 2017 and beyond, as warmer winter temperatures driven by climate change reduce water supply held in mountain snowpack and result in drier soil conditions; and

WHEREAS these ongoing drought conditions and our changing climate require California to move beyond temporary emergency drought measures and adopt permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change; and

WHEREAS these activities are prioritized in the California Water Action Plan, which calls for concrete, measurable actions that "Make Conservation a California Way of Life" and "Manage and Prepare for Dry Periods" in order to improve use of water in our state.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular California Government Code sections 8567 and 8571, do hereby issue this Executive Order, effective immediately.

IT IS HEREBY ORDERED THAT:

The orders and provisions contained in my January 17, 2014 Emergency Proclamation, my April 25, 2014 Emergency Proclamation, Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 remain in full force and in effect except as modified herein.

State agencies shall update temporary emergency water restrictions and transition to permanent, long-term improvements in water use by taking the following actions.

USE WATER MORE WISELY

1. The State Water Resources Control Board (Water Board) shall, as soon as practicable, adjust emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions across the state. To prepare for the possibility of another dry winter, the Water Board shall also develop, by January 2017, a proposal to achieve a mandatory reduction in potable urban water usage that builds off of the mandatory 25% reduction called for in Executive Order B-29-15 and lessons learned through 2016.
2. The Department of Water Resources (Department) shall work with the Water Board to develop new water use targets as part of a permanent framework for urban water agencies. These new water use targets shall build upon the existing state law requirements that the state achieve a 20% reduction in urban water usage by 2020. (Senate Bill No. 7 (7th Extraordinary Session, 2009-2010).) These water use targets shall be customized to the unique conditions of each water agency, shall generate more statewide water conservation than existing requirements, and shall be based on strengthened standards for:
 - a. Indoor residential per capita water use;
 - b. Outdoor irrigation, in a manner that incorporates landscape area, local climate, and new satellite imagery data;
 - c. Commercial, industrial, and institutional water use; and
 - d. Water lost through leaks.

The Department and Water Board shall consult with urban water suppliers, local governments, environmental groups, and other partners to develop these water use targets and shall publicly issue a proposed draft framework by January 10, 2017.

3. The Department and the Water Board shall permanently require urban water suppliers to issue a monthly report on their water usage, amount of conservation achieved, and any enforcement efforts.

ELIMINATE WATER WASTE

4. The Water Board shall permanently prohibit practices that waste potable water, such as:
 - Hosing off sidewalks, driveways and other hardscapes;
 - Washing automobiles with hoses not equipped with a shut-off nozzle;
 - Using non-recirculated water in a fountain or other decorative water feature;
 - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
 - Irrigating ornamental turf on public street medians.
5. The Water Board and the Department shall direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.
6. The Water Board and the Department shall direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission shall order investor-owned water utilities to accelerate work to minimize leaks.
7. The California Energy Commission shall certify innovative water conservation and water loss detection and control technologies that also increase energy efficiency.

STRENGTHEN LOCAL DROUGHT RESILIENCE

8. The Department shall strengthen requirements for urban Water Shortage Contingency Plans, which urban water agencies are required to maintain. These updated requirements shall include adequate actions to respond to droughts lasting at least five years, as well as more frequent and severe periods of drought. While remaining customized according to local conditions, the updated requirements shall also create common statewide standards so that these plans can be quickly utilized during this and any future droughts.
9. The Department shall consult with urban water suppliers, local governments, environmental groups, and other partners to update requirements for Water Shortage Contingency Plans. The updated draft requirements shall be publicly released by January 10, 2017.

10. For areas not covered by a Water Shortage Contingency Plan, the Department shall work with counties to facilitate improved drought planning for small water suppliers and rural communities.

IMPROVE AGRICULTURAL WATER USE EFFICIENCY AND DROUGHT PLANNING

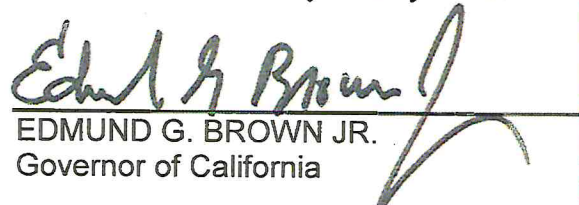
11. The Department shall work with the California Department of Food and Agriculture to update existing requirements for Agricultural Water Management Plans to ensure that these plans identify and quantify measures to increase water efficiency in their service area and to adequately plan for periods of limited water supply.
12. The Department shall permanently require the completion of Agricultural Water Management Plans by water suppliers with over 10,000 irrigated acres of land.
13. The Department, together with the California Department of Food and Agriculture, shall consult with agricultural water suppliers, local governments, agricultural producers, environmental groups, and other partners to update requirements for Agricultural Water Management Plans. The updated draft requirements shall be publicly released by January 10, 2017.

The Department, Water Board and California Public Utilities Commission shall develop methods to ensure compliance with the provisions of this Executive Order, including technical and financial assistance, agency oversight, and, if necessary, enforcement action by the Water Board to address non-compliant water suppliers.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this order.

IN WITNESS WHEREOF I have
hereunto set my hand and caused the
Great Seal of the State of California to
be affixed this 9th day of May 2016.


EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

ADOPTED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation.

Sec. 863. Findings of Drought Emergency.

(a) The State Water Resources Control Board finds as follows:

(1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;

(2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;

(3) On April 1, 2015, the Governor issued an Executive Order that, in part, directs the State Board to impose restrictions on water suppliers to achieve a statewide 25 percent reduction in potable urban usage through February, 2016; require commercial, industrial, and institutional users to implement water efficiency measures; prohibit irrigation with potable water of ornamental turf in public street medians; and prohibit irrigation with potable water outside newly constructed homes and buildings that is not delivered by drip or microspray systems;

(4) On November 13, 2015, the Governor issued an Executive Order that directs the State Board to, if drought conditions persist through January 2016, extend until October 31, 2016 restrictions to achieve a statewide reduction in potable usage;

(5) On May 9, 2016, the Governor issued an Executive Order that directs the State Board to adjust and extend its emergency water conservation regulations through the end of January 2017 in recognition of the differing water supply conditions for many communities;

(56) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist; and

(67) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to prevent waste and unreasonable use of water and to further promote conservation.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, and 275, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864. End-User Requirements in Promotion of Water Conservation.

(a) To prevent the waste and unreasonable use of water and to promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

(1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;

(2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;

(3) The application of potable water to driveways and sidewalks;

(4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;

(5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall;

(6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;

(7) The irrigation with potable water of ornamental turf on public street medians; and

(8) The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

(b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

(c) ~~Immediately upon~~ Upon this subdivision taking effect, all commercial, industrial and institutional properties that use a water supply, any portion of which is from a source other than a water supplier subject to section 864.5 or 865 of this article, shall either:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than two days per week; or

(2) Target potable water use reductions commensurate with those required of the nearest urban water supplier under section 864.5 or, if applicable, section 865. Where this option is chosen, these properties shall implement the reductions on or before July 1, 2016.

~~(2) Reduce potable water usage supplied by sources other than a water supplier by 25 percent for the months of June 2015 through October 2016 as compared to the amount used from those sources for the same months in 2013.~~

(d) The taking of any action prohibited in subdivision (a) or (e), or the failure to take any action required in subdivision (b) or (c), is an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs. The fine for the infraction is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(e)(1) To prevent the waste and unreasonable use of water and to promote water conservation, any homeowners' association or community service organization or similar entity is prohibited from:

(A) Taking or threatening to take any action to enforce any provision of the governing documents or architectural or landscaping guidelines or policies of a common interest development where that provision is void or unenforceable under section 4735, subdivision (a) of the Civil Code; or

(B) Imposing or threatening to impose a fine, assessment, or other monetary penalty against any owner of a separate interest for reducing or eliminating the watering of vegetation or lawns during a declared drought emergency, as described in section 4735, subdivision (c) of the Civil Code.

(2) As used in this subdivision:

(A) "Architectural or landscaping guidelines or policies" includes any formal or informal rules other than the governing documents of a common interest development.

(B) "Homeowners' association" means an "association" as defined in section 4080 of the Civil Code.

(C) "Common interest development" has the same meaning as in section 4100 of the Civil Code.

(D) "Community service organization or similar entity" has the same meaning as in section 4110 of the Civil Code.

(E) "Governing documents" has the same meaning as in section 4150 of the Civil Code.

(F) "Separate interest" has the same meaning as in section 4185 of the Civil Code.

(3) If a disciplinary proceeding or other proceeding to enforce a rule in violation of subdivision (e)(1) is initiated, each day the proceeding remains pending shall constitute a separate violation of this regulation.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 4080, 4100, 4110, 4150, 4185, and 4735, Civil Code; Sections 102, 104, 105, 275, 350, and 10617, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 864.5. Self-Certification of Supply Reliability for Three Additional Years of Drought.

(a) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor's May 9, 2016 Executive Order, each urban water supplier shall:

(1) Identify and report no later than June 22, 2016, on a form provided by the Board, the conservation standard that the supplier will be required to meet under this section;

(2) Identify and report no later than June 22, 2016, on a form provided by the Board, the data and underlying analysis relied upon by the supplier to determine the conservation standard reported pursuant to this subdivision including, but not limited to identification of each source of supply the supplier intends to rely on and the quantity of water available under that source of supply given the assumptions of this section;

(3) Certify, no later than June 22, 2016, that the conservation standard reported pursuant to this subdivision is based on the information and assumptions identified in this section;

(4) Post, within two weeks of submittal to the board, the data and underlying analysis relied upon by the supplier to determine the conservation standard reported pursuant to this subdivision to a publicly-accessible webpage; and

(5) Beginning June 1, 2016, reduce its total potable water production by the percentage identified as its conservation standard in this section each month, compared to the amount used in the same month in 2013.

(b) Each urban water supplier's conservation standard pursuant to this section shall be the percentage by which the supplier's total potable water supply is insufficient to meet the total potable water demand in the third year after this section takes effect under the following assumptions:

(1) The next three years' precipitation is the same as it was in water years 2013-2015;

(2) No temporary change orders that increase the availability of water to any urban water supplier are issued in the next three years;

(3) The supplier's total potable water demand for each of the next three years will be the supplier's average annual total potable water production for the years 2013 and 2014;

(4) The supplier's total potable water supply shall include only water sources of supply available to the supplier that could be used for potable drinking water purposes;

(5) Each urban water supplier's conservation standard shall be calculated as a percentage and rounded to the nearest whole percentage point.

(c) The Board will reject conservation standards that do not meet the requirements of this section.

(d) Beginning June 1, 2016, each urban water supplier shall comply with the conservation standard it identifies and reports pursuant to this section.

(e) Compliance with the conservation standard reported pursuant to this section shall be measured monthly and assessed on a cumulative basis through January 2017.

(f) If a wholesaler and all of its urban water supplier customers agree, in a legally-binding document, those suppliers and wholesaler may submit to the board, in lieu of the individualized self-certified conservation standard applicable pursuant to section 864.5 or section 865, an aggregated conservation standard, with all supporting documentation required for individualized self-certified conservation standards by section 864.5.

(g) Each urban water wholesaler shall calculate, to the best of its ability, and no later than June 15, 2016, the volume of water that it expects it would deliver to each urban water supplier in each of the next three years under the assumptions identified in subdivision (b), and post that calculation, and the underlying analysis, to a publicly-accessible webpage.

(h) Submitting any information pursuant to this section that the person who submits the information knows or should have known is materially false is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(i) Any urban water supplier that does not comply with this section shall comply with the applicable conservation standard identified in section 865.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 865. Mandatory Actions by Water Suppliers.

(a) As used in this ~~section~~article:

(1) “Distributor of a public water supply” has the same meaning as under section 350 of the Water Code, except it does not refer to such distributors when they are functioning solely in a wholesale capacity, but does apply to distributors when they are functioning in a retail capacity.

(2) “R-GPCD” means residential gallons per capita per day.

(3) “Total potable water production” means all potable water that enters into a water supplier’s distribution system, excluding water placed into storage and not withdrawn for use during the reporting period, or water exported outside the supplier’s service area.

(4) “Urban water supplier” means a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(5) “Urban water wholesaler” means a wholesaler of water to more than one urban water supplier.

(6) “Water year” means the period from October 1 through the following September 30. Where a water year is designated by year number, the designation is by the calendar year number in which the water year ends.

(b) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user’s exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, the number of days that outdoor irrigation is allowed, and monthly commercial, industrial and institutional sector use. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves.

(c)(1) To prevent the waste and unreasonable use of water and to meet the requirements of the Governor’s ~~November 13, 2015~~May 9, 2016 Executive Order, each urban water supplier that fails to identify a conservation standard as required under section 864.5, or that has a conservation standard rejected by the Board under section

864.5, shall reduce its total potable water production by the percentage identified as its conservation standard in this ~~subdivision~~section. Each urban water supplier's conservation standard considers its service area's relative per capita water usage.

~~(2) Each urban water supplier whose source of supply does not include groundwater or water imported from outside the hydrologic region in which the water supplier is located, and that has a minimum of four years' reserved supply available, may submit to the Executive Director for approval a request that, in lieu of the reduction that would otherwise be required under paragraphs (3) through (10), the urban water supplier shall reduce its total potable water production by 4 percent for each month as compared to the amount used in the same month in 2013. Any such request shall be accompanied by information showing that the supplier's sources of supply do not include groundwater or water imported from outside the hydrologic region and that the supplier has a minimum of four years' reserved supply available.~~

~~(32)~~ Each urban water supplier whose average July-September 2014 R-GPCD was less than 65 shall reduce its total potable water production by 8 percent for each month as compared to the amount used in the same month in 2013.

~~(43)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 65 or more but less than 80 shall reduce its total potable water production by 12 percent for each month as compared to the amount used in the same month in 2013.

~~(54)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 80 or more but less than 95 shall reduce its total potable water production by 16 percent for each month as compared to the amount used in the same month in 2013.

~~(65)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 95 or more but less than 110 shall reduce its total potable water production by 20 percent for each month as compared to the amount used in the same month in 2013.

~~(76)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 110 or more but less than 130 shall reduce its total potable water production by 24 percent for each month as compared to the amount used in the same month in 2013.

~~(87)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 130 or more but less than 170 shall reduce its total potable water production by 28 percent for each month as compared to the amount used in the same month in 2013.

~~(98)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 170 or more but less than 215 shall reduce its total potable water production by 32 percent for each month as compared to the amount used in the same month in 2013.

~~(109)~~ Each urban water supplier whose average July-September 2014 R-GPCD was 215 or more shall reduce its total potable water production by 36 percent for each month as compared to the amount used in the same month in 2013.

~~(d)(1)~~ Beginning June 1, 2015, each urban water supplier that does not submit a self-certification in compliance with section 864.5 shall comply with the conservation standard specified in subdivision (c), with any modifications to the conservation standard pursuant to subdivision (f) applying beginning March 1, 2016.

(2) Compliance with the requirements of this subdivision shall be measured monthly and assessed on a cumulative basis through ~~October 2016~~January 2017.

(e)(1) Each urban water supplier that provides potable water for commercial agricultural use meeting the definition of Government Code section 51201, subdivision (b), may subtract the amount of water provided for commercial agricultural use from its

potable water production total, provided that any urban water supplier that subtracts any water provided for commercial agricultural use from its total potable water production shall:

(A) Impose reductions determined locally appropriate by the urban water supplier, after considering the applicable urban water supplier conservation standard specified in subdivision (c), for commercial agricultural users meeting the definition of Government Code section 51201, subdivision (b) served by the supplier;

(B) Report its total potable water production pursuant to subdivision (b)(2) of this section, the total amount of water supplied for commercial agricultural use, and shall identify the reduction imposed on its commercial agricultural users and each recipient of potable water for commercial agricultural use;

(C) Certify that the agricultural uses it serves meet the definition of Government Code section 51201, subdivision (b); and

(D) Comply with the Agricultural Water Management Plan requirement of paragraph 12 of the April 1, 2015 Executive Order for all commercial agricultural water served by the supplier that is subtracted from its total potable water production.

(2) Submitting any information pursuant to subdivision (e)(1)(B) or (C) of this section that is found to be materially false by the Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(f) In consideration of the differences in climate affecting different parts of the state, growth experienced by urban areas and significant investments that have been made by some suppliers towards creating new, local, drought-resilient sources of potable water supply, an urban water supplier's conservation standard identified in subdivision (c) shall be reduced by an amount, not to exceed eight (8) percentage points total, as follows:

(1) For an urban water supplier whose service area evapotranspiration (ETo) for the months of July through September exceeds the statewide average evapotranspiration, as determined by the Board, for the same months by five (5) percent or more, the supplier's conservation standard identified in subdivision (c) shall be reduced:

(A) By two (2) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by five (5) percent or more but less than ten (10) percent;

(B) By three (3) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by ten (10) percent or more but less than twenty (20) percent;

(C) By four (4) percentage points if the supplier's service area evapotranspiration exceeds the statewide average by twenty (20) percent or more.

(D) Statewide average evapotranspiration is calculated as the arithmetic mean of all urban water suppliers' service area default evapotranspiration values for the months of July through September. Default service area evapotranspiration will be based on the California Irrigation Management System (CIMIS) ETo Zones Map zone for which the supplier's service area has the greatest area of overlap. In lieu of applying its default service area evapotranspiration, a supplier may use specific data from CIMIS stations within its service area that have at least a five-year period of record, or a three year continuous period of record, to identify a more specifically-applicable evapotranspiration

for its service area. If no CIMIS station exists within the supplier's service area, a weather station of comparable accuracy, meeting the preceding period of record requirements, may be used. To qualify for the in-lieu climate adjustment, the supplier shall submit the following data to the Board by March 15, 2016 for each station: station ID; station location; and monthly average evapotranspiration, in inches per month, for July, August, and September for either the five-year period of record or the three-year continuous period of record.

(2) To account for water efficient growth experienced in the state since 2013, urban water suppliers' conservation standards shall be reduced by the product of the percentage change in potable water production since 2013 and the percentage reduction in potable water use required pursuant to subdivision (c), rounded to the nearest whole percentage point. Change in potable water production since 2013 shall be calculated as the sum of the following:

(A) The number of additional permanent residents served since January 1, 2013, multiplied by the average residential water use per person for that supplier's service area during the months of February through October, 2015, in gallons; and

(B) The number of new commercial, industrial and institutional connections since January 1, 2013, multiplied by the average commercial, industrial and institutional water use per connection for that supplier's service area during the months of February through October, 2015, in gallons.

(C) To qualify for the growth credit the supplier shall submit to the Board the following data by March 15, 2016: the number of additional permanent residents served since January 1, 2013 and the number of new commercial, industrial and institutional connections since January 1, 2013.

(3) For an urban water supplier that supplies, contracts for, or otherwise financially invests in, water from a new local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, the conservation standard identified in subdivision (c) shall be reduced:

(A) By one (1) percentage point if the supplier's qualifying source of supply is one (1) percent or more but less than two (2) percent of the supplier's total potable water production;

(B) By two (2) percentage points if the supplier's qualifying source of supply is two (2) percent or more but less than three (3) percent of the supplier's total potable water production;

(C) By three (3) percentage points if the supplier's qualifying source of supply is three (3) percent or more but less than four (4) percent of the supplier's total potable water production;

(D) By four (4) percentage points if the supplier's qualifying source of supply is four (4) percent or more but less than five (5) percent of the supplier's total potable water production;

(E) By five (5) percentage points if the supplier's qualifying source of supply is five (5) percent or more but less than six (6) percent of the supplier's total potable water production;

(F) By six (6) percentage points if the supplier's qualifying source of supply is six (6) percent or more but less than seven (7) percent of the supplier's total potable water production;

(G) By seven (7) percentage points if the supplier's qualifying source of supply is seven (7) percent or more but less than eight (8) percent of the supplier's total potable water production;

(H) By eight (8) percentage points if the supplier's qualifying source of supply is eight (8) percent or more of the supplier's total potable water production.

(I) To qualify for this reduction the supplier must certify, and provide documentation to the Board upon request demonstrating, the percent of its total potable water production that comes from a local, drought-resilient source of supply developed after 2013, the supplier's investment in that local, drought-resilient source of supply, and that the use of that supply does not reduce the water available to another legal user of water or the environment. To qualify for this reduction an urban water supplier shall submit the required certification to the Board by March 15, 2016.

(J) Certifications that do not meet the requirements of subdivision (f)(3)(I), including certifications for which documentation does not support that the source of supply is a local, drought-resilient source of supply, the use of which does not reduce the water available to another legal user of water or the environment, will be rejected. Submitting a certification or supporting documentation pursuant to subdivision (f)(3)(I) that is found to be materially false by the Board is a violation of this regulation, punishable by civil liability of up to five hundred dollars (\$500) for each day in which the violation occurs. Every day that the error goes uncorrected constitutes a separate violation. Civil liability for the violation is in addition to, and does not supersede or limit, any other remedies, civil or criminal.

(4) No urban water supplier's conservation standard pursuant to this section shall drop below eight (8) percent as a consequence of the reductions identified in this subdivision. ~~No reduction pursuant to this subdivision shall be applied to any urban water supplier whose conservation standard is four (4) percent based on subdivision (c)(2).~~

~~(g)(1)~~ To prevent waste and unreasonable use of water and to promote water conservation, each distributor of a public water supply that is not an urban water supplier shall ~~take one or more of the following actions:~~

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-user's exclusive control; and

~~—— (A) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or~~

~~—— (B) Reduce by 25 percent its total potable water production relative to the amount produced in 2013.~~

(2) Each distributor of a public water supply that is not an urban water supplier shall submit a report by September-December 15, 2016, on a form provided by the Board, that either confirms compliance with subdivision (g)(1)(A) or identifies total potable water production, by month, from December, 2015 through August-November, 2016, and total potable water production, by month, for the same months in 2013, and any actions taken by the supplier to encourage or require its customers to conserve water.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 102, 104, 105, 275, 350, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

Sec. 866. Additional Conservation Tools.

(a)(1) To prevent the waste and unreasonable use of water and to promote conservation, when a water supplier does not meet its conservation standard required by section 864.5 or section 865 the Executive Director, or the Executive Director's designee, may issue conservation orders requiring additional actions by the supplier to come into compliance with its conservation standard.

(2) A decision or order issued under this article by the Board or an officer or employee of the Board is subject to reconsideration under article 2 (commencing with section 1122) of chapter 4 of part 1 of division 2 of the Water Code.

(b) The Executive Director, or his designee, may issue an informational order requiring water suppliers, or commercial, industrial or institutional properties that receive any portion of their supply from a source other than a water supplier subject to section 864.5 or 865, to submit additional information relating to water production, water use or water conservation. The failure to provide the information requested within 30 days or any additional time extension granted is a violation subject to civil liability of up to \$500 per day for each day the violation continues pursuant to Water Code section 1846.

(c) Orders issued under previous versions of this ~~subdivision~~section shall remain in effect and shall be enforceable as if adopted under this version. Changes in the requirements of this article do not operate to void or excuse noncompliance with orders issued before those requirements were changed.

Authority: Section 1058.5, Water Code.

References: Article X, Section 2, California Constitution; Sections 100, 102, 104, 105, 174, 186, 187, 275, 350, 1051, 1122, 1123, 1825, 1846, 10617 and 10632, Water Code; *Light v. State Water Resources Control Board* (2014) 226 Cal.App.4th 1463.

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: July 6, 2016 **July 13, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. James Riley, Engineering Grant Manager
VIA: Mr. Matthew Knudson, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager
RE: **AGENDA ITEM NO. 7.5 - CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 16-9 BEING A RESOLUTION (CERTIFICATION) OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT (STATE CLEARINGHOUSE # 2015061054), ADOPTING FINDINGS OF FACT AS REQUIRED BY PUBLIC RESOURCES CODE SECTION 21081(A) AND CEQA GUIDELINES SECTION 15091, AND ADOPTING A MITIGATION MONITORING AND REPORTING PROGRAM AS REQUIRED BY PUBLIC RESOURCES CODE SECTION 21081.6 AND CEQA GUIDELINES SECTION 15097, AS RELATED TO THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT.**

Recommendation:

That the Board:

1. Adopt Resolution No. 16-9 certifying the Final Environmental Impact Report (State Clearing House No. 2015061054) for the Palmdale Regional Groundwater Recharge and Recovery Project;
2. Adopt the Findings of Fact for the Palmdale Regional Groundwater Recharge and Recovery Project;
3. Adopt the Mitigation Monitoring Reporting Program for the Palmdale Regional Groundwater Recharge and Recovery Project;
4. Authorize staff to have Notice of Determination filed with the Los Angeles County Clerk and State Clearinghouse.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Matthew Knudson, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager

July 6, 2016

Impact of Taking No Action:

1. Grant and Construction Loan funding from State of California would not take place.
2. Construction cannot start until Final EIR is adopted and certified by the Board of Directors.

Background Information

The Palmdale Water District (PWD) plans to develop groundwater banking programs with new spreading grounds to recharge imported water and recycled water, as well as recovery facilities to help meet future water demands and improve reliability. Water for groundwater recharge would be obtained from two sources: raw water from the East Branch of the California Aqueduct (State Water Project or SWP water) and recycled water from the Los Angeles County Sanitation District's Palmdale Water Reclamation Plant. The SWP water would be the blending source for the recharge water. The recharge capacity of the proposed Project is estimated to be approximately 50,000 to 52,000 acre-feet per year (AFY). For the magnitude of recharge envisioned for the proposed Project, SWP water would need to be recharged nearly year-round during wet years, which is estimated to occur approximately 6 out of every 10 years. During dry years (anticipated to be approximately 4 out of every 10 years), no SWP recharge would occur. Recycled water produced locally also would be included in the recharge (compliant with applicable regulations); this source is anticipated to be available at an approximately constant rate year-round.

In 2014, the District commissioned a study to use state water project water and recycled water through the Palmdale Regional Groundwater Recharge and Recovery Project, including groundwater wells, recharge basins, pipelines and other water delivery infrastructure (the "Project").

The District intends to finance the construction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (SWRCB).

Pursuant to the requirements of CEQA and Federal Cross Cutters, the District issued a Notice of Preparation (NOP) on June 19, 2015 of its intent to prepare an Environmental Impact Report (EIR) for the Palmdale Regional Groundwater Recharge and Recovery Project and issued the NOP to appropriate state agencies.

A public scoping meeting at which the public was invited to comment on the Palmdale Regional Groundwater Recharge and Recovery Project was held on July 11, 2015.

Pursuant to the requirements of CEQA, the District prepared a Draft EIR in November, 2015 which included the additional analyses required by the Federal Cross Cutters.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Matthew Knudson, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager

July 6, 2016

The District issued a Notice of Availability (NOA) of the CEQA document on November 23, 2015 including publication in local newspapers stating the public comment period on the Draft EIR would extend from November 25, 2015 to January 11, 2016.

The District provided a copy of the Draft EIR to the State of California Clearinghouse (SCH# 2015061054) for review by pertinent state agencies and circulated for a 45-day review period from November 25, 2015 to January 11, 2016.

Comments on the Draft EIR were received and the Draft EIR was revised to incorporate appropriate measures, or otherwise considered those measures in the Final EIR, which was distributed to commenters on June 17, 2016.

Budget:

1. Adopting the EIR would have no immediate effect on the District's budget.
2. Not adopting the EIR would delay the District's funding application with State Water Resources Control Board.

Strategic Water Initiative

Initiative No. 1 – Water Resource Reliability

Supporting Documents:

- Resolution No. 16-9 – Certifying the Final EIR for the Palmdale Regional Groundwater Recharge and Recovery Project.
- Exhibit A – Final EIR (June 2016) for the Palmdale Regional Groundwater Recharge and Recovery Project
- Exhibit B – Findings of Fact – Final EIR for the Palmdale Regional Groundwater Recharge and Recovery Project.
- Exhibit C – Mitigation, Monitoring and Reporting Program – Final EIR for the Palmdale Regional Groundwater Recharge and Recovery Project.

RESOLUTION NO. 16 - 9

**A RESOLUTION (CERTIFICATION) OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT CERTIFYING THE FINAL ENVIRONMENTAL
IMPACT REPORT (STATE CLEARINGHOUSE # 2015061054), ADOPTING FINDINGS OF
FACT AS REQUIRED BY PUBLIC RESOURCES CODE SECTION 21081(A) AND CEQA
GUIDELINES SECTION 15091, AND APPROVING A MITIGATION MONITORING AND
REPORTING PROGRAM AS REQUIRED BY PUBLIC RESOURCES CODE SECTION
21081.6 AND CEQA GUIDELINES SECTION 15097, AS RELATED TO THE
PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT**

WHEREAS, the Palmdale Water District (the "District") proposes to develop a groundwater banking, storage and extraction program, using as source water, raw imported water from the State Water Project (SWP) and local tertiary treated recycled water through the Palmdale Regional Groundwater Recharge and Recovery Project (the "Project");

WHEREAS, the Project, including groundwater wells, recharge basins, pipelines and other water delivery infrastructure (the "Project") would comingle SWP water from the California Aqueduct and recycled water from the Los Angeles County Sanitation District No. 20 Palmdale Tertiary Treated Wastewater Plant;

WHEREAS, the Project would help to provide a diversified portfolio of ground and surface water, increase reliability of water supply, replenish groundwater supplies, save for future dry periods, and provide a cost-effective solution for long-term water supply;

WHEREAS, funding through the SWRCB requires compliance with the California Environmental Quality Act (CEQA) and review of specific Federal regulations (referred to as "Federal Cross-Cutters") including the Federal Clean Air Act, Section 7 of the Endangered Species Act, and Section 106 of the National Historic Preservation Act;

WHEREAS, pursuant to the requirements of CEQA and Federal Cross Cutters, the District issued a Notice of Preparation (NOP) on June 19, 2015 of its intent to prepare an Environmental Impact Report (EIR) for the Palmdale Regional Groundwater Recharge and Recovery Project and issued the NOP to appropriate state agencies;

WHEREAS, a public scoping meeting at which the public was invited to comment on the Palmdale Regional Groundwater Recharge and Recovery Project was held on July 11, 2015;

WHEREAS, pursuant to the requirements of CEQA, the District prepared a Draft EIR in November 2015 which included the additional analyses required by the Federal Cross Cutters;

WHEREAS, the District issued a Notice of Availability (NOA) of the CEQA document on November 23, 2015 including publication in local newspapers stating the public comment period on the Draft EIR would extend from November 25, 2015 to January 11, 2016;

WHEREAS, the District provided a copy of the Draft EIR to the State of California Clearinghouse (SCH# 2015061054) for review by pertinent state agencies and circulated for a 45-day review period from November 25, 2015 to January 11, 2016;

WHEREAS, comments on the Draft EIR were received and the Draft EIR was revised to incorporate appropriate measures, or otherwise considered those measures in the Final EIR, which was distributed to commenters on June 17, 2016, and the Notice of Determination (NOD) will be filed with the Los Angeles County Clerk on or before July 20, 2016;

WHEREAS, on July 13, 2016 the District's Board of Directors conducted a duly noticed public hearing on the project and at the meeting certified the Final EIR after considering public testimony and materials in the staff report;

WHEREAS, all the requirements of CEQA and the State CEQA Guidelines have been satisfied in the EIR, which is sufficiently detailed so that all of the potentially significant environmental effects of the Project have been adequately evaluated;

WHEREAS, the EIR prepared in connection with the Project sufficiently analyzes both the feasible mitigation measures necessary to avoid or substantially lessen the Project's environmental impacts and a range of feasible alternatives capable of eliminating or reducing these effects in accordance with CEQA and the State CEQA Guidelines.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. All the recitals in this Resolution are true and correct and the District so finds, determines and represents.

SECTION 2. The District's Board of Directors reviewed and finds the Final EIR for the Palmdale Regional Groundwater Recharge and Recovery Project as adequate and complete in that it addresses all potential environmental effects of the proposed project, fully complies with CEQA, and reflects the Board of Directors' independent judgment and analysis.

SECTION 3. The District's Board of Directors hereby certifies the Final EIR for the Palmdale Regional Groundwater Recharge and Recovery Project (State Clearing House No. 2015061054) which is attached hereto as Exhibit A and incorporated herein by reference as if set forth in full. that the District's Board of Directors finds that all potential significant environmental effects have been reduced to an acceptable level in that such potential significant environmental effects identified in the Final EIR have been reduced to a level of insignificance by mitigation measures made part of the Project, or eliminated by revisions made in the project. The NOD will be filed with the Los Angeles County Clerk no later than July 20, 2016.

SECTION 4. The District's Board of Directors hereby adopts the Findings of Fact for the Palmdale Regional Groundwater Recharge and Recovery Project, included herein as Exhibit B and incorporated herein by reference as if set forth in full.

SECTION 5. The District's Board of Directors hereby adopts the Mitigation, Monitoring and Reporting Program for the Palmdale Regional Groundwater Recharge and Recovery Project, included herein as Exhibit C and incorporated herein by reference as if set forth in full.

SECTION 6. The District's Board of Directors declares that should any provision, section, paragraph, sentence, or word of this Resolution be rendered or declared invalid by any court of competent jurisdiction, or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences and words of this Resolution shall remain in full force and effect.

PASSED, APPROVED and ADOPTED this 13th day of July 2016.

Robert Alvarado, President
Board of Directors
Palmdale Water District

Joe Estes, Secretary
Board of Directors
Palmdale Water District

Approved as to form:

Aleshire & Wynder, LLP
District Legal Counsel



Palmdale Regional Groundwater Recharge and Recovery Project

Final Environmental Impact Report

SCH No. 2015061054

June 2016

Prepared for:
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Prepared by:
HELIX Environmental Planning, Inc.
7578 El Cajon Boulevard
La Mesa, CA 91942

**CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS
IN CONNECTION WITH THE APPROVAL OF THE PALMDALE REGIONAL
GROUNDWATER RECHARGE AND RECOVERY PROJECT**

I. CERTIFICATION OF THE FINAL ENVIRONMENTAL IMPACT REPORT

The Palmdale Water District (District or PWD), as Lead Agency under the California Environmental Quality Act (CEQA), has prepared the Final Environmental Impact Report (Final EIR) for the Palmdale Regional Groundwater Recharge and Recovery Project (Project or proposed Project). The Final EIR, which incorporates the Draft Environmental Impact Report (Draft EIR) circulated for public review, assesses the potential environmental effects from implementation of the Project, identifies the means to eliminate or reduce potential significant adverse impacts, and evaluates a range of alternatives to the proposed Project. In addition, the Final EIR provides text changes to the Draft EIR; Responses to Comments on the Draft EIR from responsible agencies and interested groups; and the Mitigation Monitoring and Reporting Program (MMRP) for the Project.

The District Board of Directors (Board) certifies that the Final EIR for the Project has been completed in compliance with CEQA. The Board further certifies that the information contained in the Final EIR has been reviewed and considered by the Board prior to making the approvals set forth below in Section III, and that the Final EIR reflects the Board's independent judgment and analysis. The conclusions presented in these Findings are based upon the Final EIR and other evidence in the administrative record.

II. FINDINGS

The Board hereby adopts the following Findings pursuant to Title 14, California Code of Regulations, Section 15091, in conjunction with the approvals of the Project, which are set forth in Section III, below.

A. Environmental Review Process

1. Preparation of the EIR

On June 19, 2015, the District circulated a Notice of Preparation (NOP) announcing the preparation of a Draft EIR which described the proposed Project and the scope of the Draft EIR. A public scoping meeting for the proposed Project was held on July 11, 2015 to provide information on the Project, answer related questions, and solicit written and verbal comments. One set of written comments was provided during the scoping meeting. These comments were incorporated into the Draft EIR, as appropriate. All issues raised during the NOP public scoping period were reviewed by the District to determine the appropriate consideration and level of analysis.

The District issued the Draft EIR on November 24, 2015 and circulated it for public review and comment for a 45-day period ending on January 11, 2016. Nine comment letters on the Draft

EIR were received from various state and local agencies. The Palmdale Regional Groundwater Recharge and Recovery Project Final EIR contains all of the comments received during the November 24, 2015 to January 11, 2016 public comment period, together with written responses to those comments, prepared in accordance with CEQA and the CEQA Guidelines. The Board, having reviewed the comments received and responses thereto, finds that the Final EIR for the Project provides adequate, good faith, and reasoned responses to the comments.

2. Absence of Significant New Information

Section 15088.5 of the CEQA Guidelines requires a Lead Agency to recirculate an EIR for further review and comment when significant new information is added to the EIR after public notice is given of the availability of the Draft EIR but before certification. New information includes: (i) changes to the project; (ii) changes in the environmental setting; or (iii) additional data or other information. Section 15088.5 further provides that:

...new information added to an EIR is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (including a feasible project alternative) that the project’s proponents have declined to implement.

Having reviewed the information contained in the Draft and Final EIRs and in the administrative record, as well as the requirements of CEQA Guidelines Section 15088.5 and interpretive judicial authority regarding recirculation of draft EIRs, in connection with their certification of the Final EIR, the Board finds that no new significant information was added to the EIR following public review and thus, recirculation of the EIR was not required by CEQA.

B. Significant and Unavoidable Impacts Associated with the Project

Based on the analysis contained in Chapter 3.0 of the Project Final EIR, implementation of the proposed Project would result in potentially significant impacts to biological resources, cultural resources, geology and soils, hydrology and water quality, and noise. All of the identified Project-level impacts, however, would be mitigated to below a level of significance through implementation of the mitigation measures identified in the associated EIR analyses.

The analysis in Chapter 4.0 addresses potential cumulative impacts from past, present, and probable future projects, including the proposed Project. As described therein, a project that has a less than significant direct effect on the environment may nonetheless make a considerable contribution to a cumulative effect. The analyses of cumulative impacts in Chapter 4.0, however, conclude that the proposed Project would either not contribute to potentially significant cumulative impacts, or that Project-related impacts would not be cumulatively considerable and are, therefore, less than significant.

From the above discussion, no significant and unavoidable environmental impacts would occur as a result of the proposed Project.

C. Project Impacts and Mitigation Measures

This section summarizes the direct and indirect environmental impacts of the Project identified in the Final EIR, and provides Findings as to those impacts, as required by CEQA and the CEQA Guidelines. Accordingly, the following discussion identifies Project-related impacts that are less than significant without mitigation, as well as impacts that are significant but would be mitigated to below a level of significance with identified mitigation measures. As noted above under item II.B, no significant and unavoidable environmental impacts would occur as a result of the proposed Project. All of the Project-specific mitigation measures identified below and in the Final EIR will be applied to the Project as a condition of approval. As previously noted and discussed in detail in the Final EIR for the Project, all potentially significant impacts from Project implementation will be fully mitigated by the identified Project-specific mitigation measures.

1. Project Impacts that are Less Than Significant without Mitigation

The Final EIR found that the following impacts would be less than significant without mitigation incorporated into the Project: aesthetics (*see* Final EIR pages 7-1 and 7-2); agriculture and forestry resources (*see* Final EIR page 7-2 and 7-3); air quality (*see* Final EIR pages 3.1-5 through 3.1-10); greenhouse gas emissions (*see* Final EIR pages 3.5-3 through 3.5-5); hazards and hazardous materials (*see* Final EIR pages 7-3 and 7-4); land use and planning (*see* Final EIR pages 7-4 through 7-6); mineral resources (*see* Final EIR page 7-6); population and housing (*see* Final EIR pages 7-6 and 7-7); public services (*see* Final EIR page 7-7); recreation (*see* Final EIR page 7-7); transportation/traffic (*see* Final EIR page 7-8); and utilities and service systems (*see* Final EIR pages 7-8 and 7-9).

2. Project Impacts that would be Mitigated to Less-Than-Significant Levels

The following section discusses potentially significant impacts of the Project identified in the Final EIR. Implementation of the Project-specific mitigation measures identified in the Final EIR would reduce all potentially significant impacts to below a level of significance.

Biological Resources

1. Implementation of the proposed Project would have the potential to cause direct, adverse and significant effects to sensitive species (burrowing owl and nesting birds) during construction.

No direct impacts to sensitive plant species are expected to occur from implementation of the proposed Project (*see* Final EIR page 3.2-7). A burrowing owl and an occupied burrow (a concrete pipe in the ground) were found along the Potable Water and Raw Water/Return Water Pipeline alignments. Other, similar concrete pipes were found in the immediate vicinity that may be connected to the occupied pipe and form a burrow complex. Additionally, other burrows with potential to support the burrowing owl are present in the proposed Project impact area. If burrowing owls occupy burrows in the proposed Project impact area, or within 500 feet of the proposed Project impact area, prior to construction, the proposed Project has potential to have a

substantial adverse effect on this sensitive species. Potential direct impacts to nesting birds protected by the Migratory Bird Treaty Act (MBTA) and California Fish and Game Code could result if clearing of vegetation or construction occurs during the breeding season (generally February through August and, for raptors, January through August). Clearing of vegetation or construction activities could cause destruction or abandonment of active nests or mortality of adults, young, or eggs. Impacts to nesting birds would be considered a significant impact. Significant potential impacts to biological resources will be mitigated through implementation of the mitigation measures described below.

MM BIO-1 A pre-construction take avoidance survey shall be conducted for each phase of construction at the Recharge and Distribution Sites, Recovery Wells, Well Collection Pipeline, temporary Percolation Pond parcels, and the undeveloped portion of 105th Street East. The survey shall be completed no more than 14 days prior to ground-disturbing activities and shall cover the proposed Project impact area and all potential burrowing owl habitat within 500 feet, as feasible. More specifically, the survey shall cover all Project features except: (1) where the 30-inch Potable Water Pipeline would occur in East Palmdale Boulevard and (2) where the 36-inch Raw Water/Return Water Pipeline would be constructed between East Avenue R2 in the north and East Avenue S in the south. If there is no sign of burrowing owl occupation (as defined in the Staff Report on Burrowing Owl Mitigation [California Department of Fish and Wildlife (CDFW) 2012]), then no further mitigation is required. If sign of occupation is present, the following measures shall be implemented.

- Direct impacts to occupied burrowing owl burrows shall be avoided during the breeding period from February 1 through August 31 (CDFW 2012). “Occupied” is defined as a burrow that shows sign of burrowing owl occupancy within the last three years.
- Direct impacts to occupied burrows shall also be avoided during the non-breeding season. If present, burrowing owls may be excluded from their burrows. Burrow exclusion is a technique of installing one-way doors in burrow openings during the non-breeding season to temporarily exclude burrowing owl, or permanently exclude burrowing owl and close burrows after verifying burrows are empty by site monitoring and scoping. Eviction of burrowing owl during the non-breeding season would require prior CDFW approval of a Burrowing Owl Exclusion Plan (CDFW 2012).
- The burrowing owl and its habitat adjacent to, but outside of, Project impact areas, if present, shall be protected in place, and disturbance impacts shall be minimized through the use of buffer zones, visual screens, or other measures (CDFW 2012) as deemed necessary by a qualified biologist.
- Mitigation for direct, permanent impacts to nesting, occupied, and satellite burrows and/or burrowing owl habitat shall be required such that the habitat acreage and number of burrows and burrowing owls impacted are replaced based on the burrowing owl life history information provided in Appendix A of the Staff Report on Burrowing Owl Mitigation (CDFW 2012), site-specific analysis, and consultation

with the CDFW. A Burrowing Owl Mitigation Plan shall be prepared and submitted to the CDFW for approval prior to impacts to the burrowing owl and/or its habitat.

MM BIO-2 Vegetation clearing shall take place outside the general avian breeding season (which generally occurs from February through August). Tree removal/trimming shall take place outside the raptor breeding season (which generally occurs from January through August). If vegetation clearing and/or tree removal/trimming cannot occur outside the general avian and raptor breeding seasons, then a pre-construction survey for avian nesting shall be conducted by a qualified biologist within 7 calendar days prior to vegetation clearing and tree removal/trimming. If nests are not observed, work may proceed. If nests are found, work may proceed provided that construction activity is: (1) located at least 500 feet from raptor nests; (2) located at least 300 feet from listed bird species' nests; and (3) located at least 100 feet from non-listed bird species' nests. A qualified biologist shall conspicuously mark the buffer so that vegetation clearing does not encroach into the buffer until the nest is no longer active (i.e., the nestlings fledge, the nest fails, or the nest is abandoned, as determined by a qualified biologist).

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.2-7 through 3.2-9), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects to sensitive species in the Project site vicinity. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Specifically, implementation of mitigation measures MM BIO-1 and MM BIO-2 would reduce potentially significant direct impacts to applicable sensitive species below a level of significance. All other sensitive species impacts are less than significant and no mitigation is required.

Cultural Resources

2. Construction of the proposed Project could result in significant impacts to archaeological resources.

Fourteen archaeological sites and three archaeological isolates are located within the proposed Project Area of Potential Effects (APE). None of the archaeological sites or isolates within the proposed Project APE are eligible for listing on the National Register of Historic Places or the California Register of Historical Resources. As such, the proposed Project would not result in significant impacts to these resources. However, there is potential for impacts to unknown archaeological resources during Project construction. If unknown archaeological resources are affected, such impacts could be significant (*see* Final EIR pages 3.3-7 and 3.3-8). Significant potential impacts to archaeological resources will be mitigated through implementation of the mitigation measure described below.

MM CUL-1 If potentially significant buried archaeological materials are encountered during construction activities, all work must be halted in the vicinity of the archaeological discovery until a qualified archaeologist can visit the site of discovery and assess the significance of the archaeological resource. If the find is identified as significant, appropriate treatment as determined by the archaeologist shall be implemented prior to

the recommencement of ground disturbance in the area. A report documenting the methods and results of the treatment shall be prepared and submitted to PWD and filed with the local repository.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.3-7 and 3.3-8), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects to archaeological resources in the Project site vicinity. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM CUL-1 would reduce potentially significant direct impacts to archaeological resources below a level of significance.

3. Construction of the proposed Project could result in significant impacts to paleontological resources.

The portion of the proposed Project site north of Avenue L within the City of Lancaster, which includes two Recovery Wells, is located within an area identified as having moderate to high potential for paleontological resources. The Antelope Valley Area Plan EIR indicates that fossil localities are found throughout the Antelope Valley, including in southeast Palmdale. Based on the potential for fossil localities to be located within the proposed Project area, and the potential for impacts to unknown paleontological resources during proposed Project construction activities, the proposed Project would result in a potentially significant impact to paleontological resources (*see* Final EIR pages 3.3-8). Significant potential impacts to paleontological resources will be mitigated through implementation of the mitigation measure described below.

MM CUL-2 In the event fossil materials are exposed during ground disturbing activities, work (within 100 feet of the discovery) shall be halted until a qualified paleontologist meeting the criteria established by the Society for Vertebrate Paleontology is retained to assess the find. If the find is identified as significant, appropriate treatment as determined by the paleontologist shall be implemented prior to the recommencement of ground disturbance in the area. A report documenting the methods and results of the treatment shall be prepared and submitted to PWD and filed with the local repository.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.3-8), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects to paleontological resources in the Project site vicinity. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM CUL-2 would reduce potentially significant direct impacts to paleontological resources below a level of significance.

4. Construction of the proposed Project could potentially result in significant impacts related to the disturbance of human remains, including those interred outside of formal cemeteries.

There is no record of previously recorded human remains in the proposed Project APE and no human remains were observed during the cultural survey. The archaeological sites observed during surveys conducted for the Project are surface refuse scatters with little potential for subsurface deposits and the archaeological isolates are either architectural in nature or lacking context. None of the archaeological resources are expected to contain subsurface human remains. However, the potential for unearthing unknown human remains would result in potentially significant impacts (*see* Final EIR page 3.3-9). Significant potential impacts related to disturbance of human remains will be mitigated through implementation of the mitigation measure described below.

MM CUL-3 In the event that human remains are discovered during construction activities in a location other than a dedicated cemetery, the Los Angeles County Coroner must be notified within 24 hours of the discovery, in accord with Health and Safety Code §7050.5, State CEQA Guidelines 15064.5(e), and Public Resources Code (PRC) §5097.98. The Coroner must then determine within two working days of being notified if the remains are subject to his or her authority. If the Coroner recognizes the remains to be Native American, he or she must contact the NAHC by phone within 24 hours, in accordance with PRC §5097.98. The NAHC then designates a Most Likely Descendant (MLD) with respect to the human remains within 48 hours of notification. The MLD will then have the opportunity to recommend to the proposed Project proponent means for treating or disposing, with appropriate dignity, the human remains and associated grave goods within 24 hours of notification.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.3-9), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to the disturbance of human remains in the Project site vicinity. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM CUL-3 would reduce potentially significant direct impacts to human remains below a level of significance.

Geology and Soils

5. Construction of the proposed Project could result in potentially significant impacts related to the rupture of an earthquake fault.

Ground rupture from fault displacement and related effects such as lurching (i.e., the rolling motion of surface materials associated with passing seismic waves) can adversely affect surface and subsurface facilities such as structures, pipelines and wells. As previously described, no known active/potentially active faults or associated California Geological Survey (CGS) Earthquake Fault Zones are located within or adjacent to the proposed Project site. Accordingly,

the potential for earthquake-related ground rupture and/or related effects to impact proposed facilities/operations is considered generally low. Because the site and vicinity could encompass currently unknown active or potentially active faults and has not been subject to Project-specific geotechnical investigation, however, associated impacts are considered potentially significant (*see* Final EIR pages 3.4-7). Significant potential impacts related to rupture of an earthquake fault will be mitigated through implementation of the mitigation measure described below.

MM GEO-1 Conduct Site-specific Geotechnical Investigation. A site-specific geotechnical investigation shall be completed for the proposed Project prior to final Project design approval. This investigation shall identify appropriate site-specific criteria related to considerations such as grading, excavation, fill, and structure/facility design. Applicable results and recommendations from the geotechnical investigation (including on-the-ground geotechnical observations and testing to be conducted during the proposed Project excavation, grading and construction activities) shall be incorporated into the associated proposed Project design documents to address identified potential geologic and soil hazards. Specifically, this shall include, but is not necessarily limited to, the following potential hazards: ground rupture; ground acceleration (ground shaking); soil liquefaction (and related issues such as dynamic settlement and lateral spreading); landslides; geologic and soil instability (including manufactured slopes, trench excavations, compressible/collapsible soils, subsidence [based on review/verification or, if applicable, modification of the conclusions in the proposed Project updated groundwater model], and corrosive soils); and expansive soils. The final proposed Project design documents shall also encompass applicable standard design and construction practices from sources including the California Building Code (CBC), International Building Code (IBC)/Greenbook, and (as appropriate) City/County standards, along with the results and recommendations of plan review by the PWD and on-the-ground geotechnical observations and testing (with related requirements to be included in applicable engineering/design drawings and construction contract specifications). A summary of the types of remedial measures typically associated with identified potential geologic and soil hazards, pursuant to applicable regulatory and industry standards (as noted), is provided below. The remedial measures identified/recommended as part of the described site-specific geotechnical investigation shall take priority over the more general types of standard regulatory/industry measures listed below.

- **Ground Rupture:** (1) locate (or relocate) applicable facilities away from known active (or potentially active) faults and outside of associated California Geological Survey (CGS) Earthquake Fault Zones; and (2) require appropriate (typically 50-foot) building exclusion buffers on either side of applicable fault traces.
- **Ground Acceleration (Ground Shaking):** (1) incorporate applicable seismic loading factors (e.g., IBC/CBC criteria) into the design of facilities such as structures, pavement, pipelines, manufactured slopes, and drainage facilities; (2) use remedial grading techniques where appropriate (e.g., removing/replacing and/or reconditioning unsuitable soils); and (3) use properly engineered fill per applicable industry/regulatory standards (e.g., IBC/CBC), including criteria such as appropriate fill composition, placement methodology, compaction levels, and moisture content.

- Liquefaction and Related Effects: (1) remove unsuitable soils and replace with engineered fill (as previously described), per applicable regulatory/industry standards (e.g., IBC/CBC); (2) employ measures such as deep soil mixing (i.e., introducing cement to consolidate loose soils) or use of subsurface structures (e.g., stone columns or piles) to provide support (i.e., by extending structures into competent underlying units); (3) install subdrains in appropriate areas to avoid or reduce near-surface saturation; and (4) design for potential settlement of liquefiable materials through means such as use of post-tensioned foundations and/or flexible couplings for pipeline connections.
- Landslides: (1) replace susceptible deposits with stabilized fill where appropriate; and (2) incorporate structures such as retaining walls and buttresses where appropriate to provide support.
- Geologic and Soil Instability: (1) use standard efforts such as over-excavation and recompaction or replacement of unsuitable soils with engineered fill; (2) employ applicable slope grade and/or height limitations, landscaping/irrigation design, and slope drainage controls per established regulatory/industry standards (e.g., IBC/CBC); (3) limit trench slope grades as appropriate to reflect local conditions (e.g., dry or cohesive soils, and seepage); (4) use appropriate trench shoring per applicable regulatory requirements (CBC, Occupational Safety and Health Administration [OSHA] and/or California Division of Occupational Safety and Health [Cal-OSHA]); (5) use engineered fill, subdrains, surcharging (i.e., loading prior to construction to induce settlement) and/or settlement monitoring (e.g., through the use of settlement monuments) in appropriate areas (e.g., areas of identified subsidence potential); (6) implement groundwater withdrawal monitoring/ restrictions per established legal/regulatory/industry standards (if applicable); and (7) remove unsuitable (corrosive) deposits and replace with non-corrosive fill, use corrosion-resistant construction materials (e.g., corrosion-resistant concrete and coated or non-metallic facilities), and install cathodic protection devices (e.g., use of a more easily corroded “sacrificial metal” to serve as an anode and draw current away from the structure to be protected) per established regulatory/industry standards (e.g., IBC/CBC).
- Expansive Soils: (1) replace and/or mix expansive materials with non-expansive fill; and (2) cap expansive soils in place with an appropriate thickness of non-expansive fill per established regulatory/industry standards (e.g., IBC/CBC).

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.4-7), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to the rupture of an earthquake fault. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM GEO-1 would reduce potentially significant direct impacts related to rupture of an earthquake fault below a level of significance.

6. Construction of the proposed Project could result in potentially significant impacts related to seismic ground shaking.

The proposed Project site could potentially experience peak ground shaking values of up to approximately 0.7g in association with large earthquake events along major faults (particularly the nearby San Andreas Fault Zone). This level of ground shaking could potentially result in significant impacts to proposed facilities such as structures and pipelines (*see* Final EIR pages 3.4-7 and 3.4-8). Significant potential impacts related to seismic ground shaking will be mitigated through implementation of mitigation measure MM GEO-1 as outlined above under Geology and Soils, Issue 5.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.4-7 and 3.4-8), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to seismic ground shaking. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM GEO-1 would reduce potentially significant direct impacts related to seismic ground shaking below a level of significance.

7. Construction of the proposed Project could result in potentially significant impacts related to seismic related ground failure, including liquefaction.

Many of the alluvial and fluvial deposits present in the proposed Project site and vicinity are susceptible to liquefaction under appropriate seismic and groundwater conditions. Specifically, while shallow groundwater was not observed in on-site areas subject to exploratory borings, local levels in other portions of the site may vary, particularly if perched groundwater is present. Based on the stratigraphic and seismic conditions in the proposed Project site vicinity, as well as the fact that the presence/level of groundwater in much of the site has not been verified, potential impacts from liquefaction and related effects would be potentially significant (*see* Final EIR pages 3.4-8). Significant potential impacts related to seismic related ground failure, including liquefaction, will be mitigated through implementation of mitigation measure MM GEO-1 as outlined as outlined above under Geology and Soils, Issue 5.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.4-8), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to seismic related ground failure, including liquefaction. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM GEO-1 would reduce potentially significant direct impacts related to seismic related ground failure, including liquefaction, below a level of significance.

8. Construction of the proposed Project could result in potentially significant impacts related to unstable geologic units or soil.

Implementation of the proposed Project could potentially result in impacts associated with geologic and soil instability. Specifically, this could involve issues related to manufactured slopes, trench excavations, compressible/collapsible soils, subsidence, and corrosive soils (*see* Final EIR pages 3.4-9 through 3.4-11), resulting in a potentially significant impact. Significant potential impacts related to unstable geologic units or soil will be mitigated through implementation of mitigation measure MM GEO-1 as outlined as outlined above under Geology and Soils, Issue 5.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.4-7), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to unstable geologic units or soil. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM GEO-1 would reduce potentially significant direct impacts related to unstable geologic units or soil below a level of significance.

9. Construction of the proposed Project could result in potentially significant impacts related to expansive soils.

While mapped alluvial soils in the proposed Project site and vicinity are generally identified as exhibiting low expansion potential, a number of these materials (as well as lacustrine deposits) may locally exhibit higher clay content and related expansion potential (*see* Final EIR page 3.4-11), resulting in a potentially significant impact. Significant potential impacts related to expansive soils will be mitigated through implementation of mitigation measure MM GEO-1 as outlined as outlined above under Geology and Soils, Issue 5.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.4-11), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to expansive soils. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM GEO-1 would reduce potentially significant direct impacts related to expansive soils below a level of significance.

Hydrology and Water Quality

10. Construction and operation of the proposed Project could result in potentially significant impacts associated with drainage patterns and flow directions.

Implementation of the proposed Project would have the potential to result in some modification of the existing on-site drainage patterns and directions through proposed grading and

construction. These modifications are generally not anticipated to be substantial, however, based on the nature and extent of the proposed development. Specifically, proposed Project development would consist largely of subsurface pipelines, with surface features limited to the proposed State Water Project (SWP) Turnout, recharge basins and associated berms, Recovery Wells and related temporary percolation ponds, and the 2-acre Distribution Site. Accordingly, overall drainage patterns within the site and vicinity (i.e., north to the vicinity of Rosamond and Rogers dry lakes) are not anticipated to be substantially altered by proposed development. Because a detailed hydrology study has not been conducted, however, the associated site-specific effects to drainage patterns and flow directions within and from the proposed Project site cannot be determined. As a result, while overall drainage and flow pattern alterations are not anticipated to be substantial, proposed Project implementation could potentially result in significant impacts related to drainage patterns/directions, as well as associated erosion and/or flooding issues (*see* Final EIR pages 3.6-13). Significant potential impacts related to hazards and hazardous materials will be mitigated through implementation of the mitigation measure described below.

MM HYD-1 Conduct a Site-specific Hydrologic Investigation. A site-specific hydrologic investigation shall be completed for the proposed Project prior to approval of final design. All applicable results and recommendations from this investigation shall be incorporated into the associated final design documents to address identified potential hydrologic concerns, including, but not necessarily limited to, drainage alteration, runoff rates/amounts and storm water management, and flood hazards. The final Project design documents shall also encompass applicable standard design and construction practices from sources including National Pollutant Discharge Elimination System (NPDES) and local standards (with related requirements to be included in applicable engineering/design drawings and/or construction contract specifications). A summary of the types of remedial measures typically associated with identified potential hydrologic concerns, pursuant to applicable regulatory and industry standards (as noted), is provided below. The remedial measures identified/recommended as part of the described site-specific hydrologic investigation will take priority over the more general types of standard regulatory/industry measures listed below.

- **Drainage Alteration:** (1) locate applicable facilities outside of surface drainage courses and drainage channels; (2) re-route surface drainage around applicable facilities, with such re-routing to be limited to the smallest area feasible and re-routed drainage to be directed back to the original drainage course at the closest feasible location (i.e., the closest location to the point of diversion); and (3) use drainage structures to convey flows within/through development areas and maintain existing drainage patterns, where appropriate and feasible.
- **Runoff Rates/Amounts and Storm Water Management:** (1) minimize the installation of new impervious surfaces (e.g., by surfacing with pervious pavement, gravel or decomposed granite); (2) use flow regulation facilities (e.g., detention/retention basins) and velocity control structures (e.g., riprap dissipation aprons at drainage outlets), to maintain pre-development runoff rates and amounts, if applicable; and (3) utilize additional and/or enlarged drainage facilities to ensure adequate on- and off-site storm drain system capacity, if applicable.

- Flood Hazards: (1) locate proposed facilities outside of mapped 100-year floodplain boundaries wherever feasible; (2) based on technical analyses such as Hydrologic Engineering Center-River Analysis System (HEC-RAS) studies, restrict facility locations to avoid adverse impacts related to impeding or redirecting flood waters; (3) based on HEC-RAS studies, use measures such as raised fill pads to elevate proposed structures above calculated flood levels, and/or utilize protection/containment structures (e.g., berms, barriers or water-tight doors) to avoid flood damage; and (4) if Project-related activities/facilities result in applicable proposed changes to mapped FEMA floodplains, obtain an approved Conditional Letter of Map Revision (CLOMR) and/or Letter of Map Revision (LOMR) from FEMA, as applicable.

FINDING: For the reasons stated in the Final EIR (see Final EIR pages 3.6-13), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to drainage patterns and flow directions. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM HYD-1 would reduce potentially significant direct impacts related to drainage patterns and flow directions below a level of significance.

11. Construction and operation of the proposed Project could result in potentially significant impacts associated with runoff rates and storm water management.

Proposed Project development is not expected to substantially increase the rate or amount of surface runoff within or from the site. This conclusion is based on the relatively small extent of proposed on-site development, as well as the nature of associated facilities. Specifically, new impervious surfaces (which increase runoff rates and amounts), would generally be limited to the SWP Turnout structure and the two-acre Distribution Site, with some additional areas (e.g., well pads/support facilities) to encompass minor areas of impervious surfaces and/or surface compaction. Based on the noted conclusions and assumptions, potential impacts related to runoff rates/amounts and storm drain capacity from proposed Project development are expected to be less than significant; however, an assessment of pre- and post-development runoff rates is required to evaluate these conditions and pending completion of a detailed site-specific hydrology study, these impacts are conservatively assessed as potentially significant (see Final EIR pages 3.6-13 and 3.6-14). Significant potential impacts related to runoff rates and storm water management will be mitigated through implementation of mitigation measure MM HYD-1 as outlined above under Hydrology and Water Quality, Issue 10.

FINDING: For the reasons stated in the Final EIR (see Final EIR pages 3.6-13 and 3.6-14), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to runoff rates and storm water management. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure

MM HYD-1 would reduce potentially significant direct impacts related to runoff rates and storm water management below a level of significance.

12. Construction and operation of the proposed Project could result in potentially significant impacts associated with flooding and floodplain hazards.

Several mapped 100-year floodplains are located within or adjacent to the Project site. Based on the subsurface location of most proposed facilities (i.e., pipelines and the Distribution Box), the proposed elevation of other applicable facilities within mapped floodplains (i.e., Recovery Wells, pumps and related surface structures) above identified flood water levels (i.e., through grading), and the relatively minor extent of proposed surface development within the noted floodplains, no associated substantial impacts are anticipated in relation to flood-related hazards and impeding or redirecting flood flows. Because detailed studies have not been conducted, however, site-specific effects related to flood flow movements and directions from proposed surface facilities are considered potentially significant (*see* Final EIR page 3.6-14). Significant potential impacts related to flooding and floodplain management will be mitigated through implementation of mitigation measure MM HYD-1 as outlined above under Hydrology and Water Quality, Issue 10.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR page 3.6-14), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to flooding and floodplain hazards. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM HYD-1 would reduce potentially significant direct impacts related to flooding and floodplain hazard below a level of significance.

13. Construction and operation of the proposed Project could result in potentially significant impacts associated with water quality standards or waste discharge requirements.

Impacts to groundwater quality are potentially significant due to lack of site-specific water quality modeling and septic system evaluation. As a result, Project impacts related to groundwater quality are considered potentially significant (*see* Final EIR pages 3.6-16 through 3.6-26). Significant potential impacts related to water quality standards or waste discharge requirements will be mitigated through implementation of mitigation measures MM HYD-2 and MM HYD-3 as outlined below.

MM HYD-2 Conduct a Site-specific Groundwater Quality Investigation. A site-specific groundwater quality investigation shall be completed for long-term operations associated with the proposed Project, prior to the Regional Water Quality Control Board (RWQCB) issuing a permit to operate. This investigation shall include detailed, numerical modeling to assess potential proposed Project-related effects to groundwater quality in proposed Project Recovery Wells and other applicable wells in the site vicinity. All applicable

results and recommendations from this investigation shall be incorporated into the associated individual final Project design documents to address identified potential long-term groundwater quality issues related to proposed recharge and recovery efforts, including the use of recycled water. The described modeling/investigative efforts and the final Project design documents shall also encompass applicable regulatory standards from sources including the State Water Resources Control Board (SWRCB)/RWQCB, California Code of Regulations (CCR) Titles 17 and 22 (including a Project-specific Title 22 Engineering Report per Article 7, Section 60323), Title 22 Water Code Section 13562.5 for Groundwater Replenishment Using Recycled Water, and pertinent local standards, with related requirements to be included in associated engineering/design drawings and construction/operation contract specifications. Depending on the results of the noted modeling/investigative efforts, standard remedial measures that could potentially be used to address identified concerns may include: (1) reduction (e.g., through blending) or elimination of recycled water as a recharge source; (2) implementation of applicable source water treatment (e.g., to reduce total dissolved solids [TDS] levels) prior to recharge; and (3) modification of the proposed Project elements such as the location and/or configuration of Recovery Wells (e.g., to increase the residence time and/or recovery percentage of recharged water), and/or the location/capacity of recharge basins. The measures identified/recommended as part of the described site-specific groundwater quality investigation shall take priority over the more general types of standard efforts identified above.

MM HYD-3 Conduct a Site-specific Septic System Investigation. A site-specific septic system investigation shall be completed for the proposed Project, prior to final Project design approval, to assess related potential impacts to groundwater quality. This investigation shall include appropriate analysis of the proposed septic system, pursuant to applicable regulatory requirements from sources including the SWRCB/RWQCB, Los Angeles County, and the City of Palmdale. Specific elements of the septic system analysis may include: (1) system design adequacy (e.g., septic tank/leach field locations and dimensions, and provision of adequate separation from groundwater aquifers); (2) soil/percolation testing; (3) assessment of potential groundwater quality impacts from nitrates and other applicable contaminants; and (4) identification of appropriate operation and maintenance requirements to ensure proper system function. Applicable results and recommendations from this investigation shall be incorporated into the final septic system design to address potential groundwater quality issues related to proposed septic system operation. Depending on the results of the noted evaluation, standard remedial measures that could potentially be used to address identified concerns may include: (1) redesign/relocation of proposed septic system facilities; (2) use of alternative septic system design (e.g., disinfection systems); (3) use of alternative waste disposal systems (e.g., composting or incinerator toilets); and (4) connection to a municipal sewer system. The measures identified/recommended as part of the described septic system investigation shall take priority over the more general types of efforts identified above.

FINDING: For the reasons stated in the Final EIR (see Final EIR pages 3.6-16 through 3.6-26), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant direct effects related to

water quality standards or waste discharge requirements. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measures MM HYD-2 and MM HYD-3 would reduce potentially significant direct impacts related to water quality standards or waste discharge requirements below a level of significance.

Noise

- 14. Operation of the proposed Project could potentially result in a substantial permanent increase in ambient noise levels in the Project vicinity above levels existing without the Project.**

Operational noise associated with Recovery Wells within the City of Lancaster and unincorporated Los Angeles County would result in noise levels in excess of the respective standards for each jurisdiction at the nearest property lines. This is a potentially significant impact (*see* Final EIR pages 3.7-10 through 3.7-15). Significant potential impacts related to operational noise associated with the Recovery Wells will be mitigated through implementation of the mitigation measure described below.

MM NOI-1 Recovery Well Pump Building Design. If the PWD does not own all of the land within 750 feet of a planned Recovery Well pump and building outside the City of Palmdale limits, the Recovery Well building shall be designed and built to provide noise control reduction to the less-than-significant level of 45 A-weighted decibels (dBA) at 50 feet. Specifically, this could potentially include standard industry measures such as providing appropriately designed noise-control louvers or in-line duct silencers for the well building ventilation to reduce external noise levels.

FINDING: For the reasons stated in the Final EIR (*see* Final EIR pages 3.7-12 through 3.7-15), the Board finds that implementation of the Palmdale Regional Groundwater Recharge and Recovery Project would result in the potential for significant impacts related to a permanent increase in ambient noise levels in the Project vicinity. Changes or alterations have been required in or incorporated into the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR. Implementation of mitigation measure MM NOI-1 would reduce potentially significant Project impacts related to the permanent increase in ambient noise levels below a level of significance.

3. Project Impacts that would be Significant and Unavoidable

As described above in Section II.B, no significant and unavoidable environmental impacts would occur as a result of the proposed Project.

D. Cumulative Impacts and Mitigation Measures

Section 15130(a) of the CEQA Guidelines requires that an EIR discuss the cumulative impacts of a project when the project's incremental effect is determined to be cumulatively considerable. The discussion of cumulative impacts must evaluate whether the impacts of the project will be significant when considered in combination with past, present, and future reasonably foreseeable projects, and whether the project would make a cumulatively considerable contribution to those impacts. As described above in Section II.B, the proposed Project would either not contribute to potentially significant cumulative impacts, or Project-related impacts would not be cumulatively considerable and are therefore less than significant (*see* Final EIR Chapter 4.0).

E. Alternatives

Chapter 6.0 of the Final EIR evaluates a reasonable range of potential alternatives to the Palmdale Regional Groundwater Recharge and Recovery Project to determine if these alternatives could meet the Project objectives, while avoiding or substantially lessening its significant impacts per CEQA Guidelines Section 15126.6. This analysis identifies a number of alternatives that were considered and rejected during the proposed Project's scoping process, including linear recovery wells, a reduced Project scale, recharge directly into Littlerock Creek, and alternatives of off-stream recharge, including in the Buttes subbasin only and within the Buttes and Lancaster subbasins. Brief summaries of these alternatives and the associated reasons for rejection are provided in Subchapter 6.3 of the Final EIR, followed by more detailed assessments of the alternatives carried forward in the analysis. Specifically, the alternatives carried forward include Off-Site 10A Alternative and Off-Site 9R Alternative, and, in compliance with CEQA and the CEQA Guidelines, the No Project Alternative. The Final EIR alternatives analysis examined the feasibility of each of these alternatives, the associated environmental impacts, and the ability of each alternative to meet the project objectives identified in Section 2.2 of the Final EIR. Finally, pursuant to requirements in CEQA and the CEQA Guidelines, the analysis identifies and discusses the Environmentally Superior Alternative. Of the two build alternatives analyzed in detail in Chapter 6.0 of the Final EIR, Off-Site 10A Alternative would result in some reduced impacts, but would also have new, potentially significant impacts. Off-Site 9R Alternative would also result in new, potentially significant impacts. As described above in Section II.B, implementation of the proposed Project would not result in any significant and unavoidable impacts. Accordingly, findings pursuant to Section 15091(a)(3) of the CEQA Guidelines are not required.

F. Statement of Overriding Considerations

As described above in Section II.B, implementation of the proposed Project would not result in any significant and unavoidable impacts. Accordingly, pursuant to Section 15093(a) of the CEQA Guidelines, a Statement of Overriding Considerations is not required.

G. Additional Findings

1. These Findings incorporate by reference the text of the Final EIR prepared for the Palmdale Regional Groundwater Recharge and Recovery Project in its

entirety. Without limitation, this incorporation is intended to elaborate on the scope and nature of Project and cumulative development impacts, related mitigation measures, and the basis for determining the significance of such impacts.

2. CEQA requires the Lead Agency approving a project to adopt a monitoring program for changes to the project that it adopts or makes a condition of project approval in order to mitigate or avoid significant effects on the environment and ensure compliance during project implementation. The MMRP for the proposed Project has been prepared to serve this purpose, and is hereby adopted by the Board.

H. Record of Proceedings

The record of proceedings upon which the Board has based these Findings consists of all the documents and evidence relied upon by the District in preparing the Palmdale Regional Groundwater Recharge and Recovery Project Final EIR. The custodian of the record of proceedings is the District Office, 2029 East Avenue Q, Palmdale, CA 93550.

I. Summary

Based on the foregoing Findings and the information contained in the record, the Board has made the following Finding with respect to the significant environmental effects of the Project as described in the Final EIR:

- (1) Changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effects on the environment.

Based on the foregoing Finding and the information contained in the record, it is hereby determined that all significant effects on the environment due to approval of the Project have been eliminated or substantially lessened.

III. APPROVALS

The Board hereby takes the following actions:

- A. The Board certifies the Final EIR, as described in Section I, above.
- B. The Board adopts as conditions of approval all mitigation measures within the responsibility and jurisdiction of the District set forth in Section II.D of the Findings, above.
- C. The Board adopts the MMRP for the Project described in Section II.G(2) of the Findings, above.

- D. The Board adopts the Findings in their entirety as set forth in Section II, above.
- E. Having certified the Final EIR, independently reviewed and analyzed the Final EIR, incorporated mitigation measures into the Project, and adopted the MMRP and the foregoing Findings, the Board hereby approves the design of the Palmdale Regional Groundwater Recharge and Recovery Project.

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MITIGATION MONITORING AND REPORTING PROGRAM

PROJECT NAME:	Palmdale Regional Groundwater Recharge and Recovery Project	APPROVAL BODY:	Board of Directors
PROJECT DESCRIPTION:	Groundwater banking programs with new spreading grounds to recharge imported water and recycled water, as well as recovery facilities to help meet future water demands and improve reliability	APPROVAL DATE:	July 13, 2016
		CONTACT PERSON:	Matthew Knudson
		PHONE NO.:	(661)947-4111
PROJECT LOCATION:	The northeastern portion of the City of Palmdale in Los Angeles County and surrounding unincorporated Los Angeles County and City of Lancaster		

Table 1

PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM

POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL/DATE
Biological Resources				
The proposed Project has the potential to cause direct, adverse effects to sensitive animal species (burrowing owl and nesting birds) during construction.	<p>MM BIO-1: A pre-construction take avoidance survey shall be conducted for each phase of construction at the Recharge and Distribution Sites, Recovery Wells, Well Collection Pipeline, temporary Percolation Pond parcels, and the undeveloped portion of 105th Street East. The survey shall be completed no more than 14 days prior to ground-disturbing activities and shall cover the proposed Project impact area and all potential burrowing owl habitat within 500 feet, as feasible. More specifically, the survey shall cover all Project features except: (1) where the 30-inch Potable Water Pipeline would occur in East Palmdale Boulevard and (2) where the 36-inch Raw Water/Return Water Pipeline would be constructed between East Avenue R2 in the north and East Avenue S in the south. If there is no sign of burrowing owl occupation (as defined in the Staff Report on Burrowing Owl Mitigation [California Department of Fish and Wildlife (CDFW) 2012]), then no further mitigation is required. If sign of occupation is present, the following measures shall be implemented.</p> <ul style="list-style-type: none"> • Direct impacts to occupied burrowing owl burrows shall be avoided during the breeding period from February 1 through August 31 (CDFW 2012). "Occupied" is defined as a burrow that shows sign of burrowing owl occupancy within the last three years. • Direct impacts to occupied burrows shall also be avoided during the non-breeding season. If present, burrowing owls may be excluded from their burrows. Burrow exclusion is a technique of installing one-way doors in burrow openings during the non-breeding season to temporarily exclude burrowing owl, or permanently exclude burrowing owl and close burrows after verifying burrows are empty by site monitoring and scoping. Eviction of burrowing owl during the non-breeding season would require prior CDFW approval of a Burrowing Owl Exclusion Plan (CDFW 2012). 	Palmdale Water District and Construction Contractor	Prior to and during construction	

Exhibit C

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Biological Resources (cont.)</i>				
	<ul style="list-style-type: none"> The burrowing owl and its habitat adjacent to, but outside of, Project impact areas, if present, shall be protected in place, and disturbance impacts shall be minimized through the use of buffer zones, visual screens, or other measures (CDFW 2012) as deemed necessary by a qualified biologist. Mitigation for direct, permanent impacts to nesting, occupied, and satellite burrows and/or burrowing owl habitat shall be required such that the habitat acreage and number of burrows and burrowing owls impacted are replaced based on the burrowing owl life history information provided in Appendix A of the Staff Report on Burrowing Owl Mitigation (CDFW 2012), site-specific analysis, and consultation with the CDFW. A Burrowing Owl Mitigation Plan shall be prepared and submitted to the CDFW for approval prior to impacts to the burrowing owl and/or its habitat. 			
	<p>MM BIO-2: Vegetation clearing shall take place outside the general avian breeding season (which generally occurs from February through August). Tree removal/trimming shall take place outside the raptor breeding season (which generally occurs from January through August). If vegetation clearing and/or tree removal/trimming cannot occur outside the general avian and raptor breeding seasons, then a pre-construction survey for avian nesting shall be conducted by a qualified biologist within 7 calendar days prior to vegetation clearing and tree removal/trimming. If nests are not observed, work may proceed. If nests are found, work may proceed provided that construction activity is: (1) located at least 500 feet from raptor nests; (2) located at least 300 feet from listed bird species' nests; and (3) located at least 100 feet from non-listed bird species' nests. A qualified biologist shall conspicuously mark the buffer so that vegetation clearing does not encroach into the buffer until the nest is no longer active (i.e., the nestlings fledge, the nest fails, or the nest is abandoned, as determined by a qualified biologist).</p>	Palmdale Water District and Construction Contractor	Prior to and during construction	
<i>Cultural Resources</i>				
The proposed Project has the potential to impact unknown archaeological resources during the proposed Project construction.	<p>MM CUL-1: If potentially significant buried archaeological materials are encountered during construction activities, all work must be halted in the vicinity of the archaeological discovery until a qualified archaeologist can visit the site of discovery and assess the significance of the archaeological resource. If the find is identified as significant, appropriate treatment as determined by the archaeologist shall be implemented prior to the recommencement of ground disturbance in the area. A report documenting the methods and results of the treatment shall be prepared and submitted to PWD and filed with the local repository.</p>	Palmdale Water District and Construction Contractor	During construction	

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Cultural Resources (cont.)</i>				
The proposed Project has the potential to impact unknown paleontological resources during the proposed Project construction.	MM CUL-2: In the event fossil materials are exposed during ground disturbing activities, work (within 100 feet of the discovery) shall be halted until a qualified paleontologist meeting the criteria established by the Society for Vertebrate Paleontology is retained to assess the find. If the find is identified as significant, appropriate treatment as determined by the paleontologist shall be implemented prior to the recommencement of ground disturbance in the area. A report documenting the methods and results of the treatment shall be prepared and submitted to PWD and filed with the local repository.	Palmdale Water District and Construction Contractor	During construction	
The proposed Project has the potential to unearth unknown human remains during the proposed Project construction.	MM CUL-3: In the event that human remains are discovered during construction activities in a location other than a dedicated cemetery, the Los Angeles County Coroner must be notified within 24 hours of the discovery, in accord with Health and Safety Code §7050.5, State CEQA Guidelines 15064.5(e), and Public Resources Code (PRC) §5097.98. The Coroner must then determine within two working days of being notified if the remains are subject to his or her authority. If the Coroner recognizes the remains to be Native American, he or she must contact the NAHC by phone within 24 hours, in accordance with PRC §5097.98. The NAHC then designates a Most Likely Descendant (MLD) with respect to the human remains within 48 hours of notification. The MLD will then have the opportunity to recommend to the proposed Project proponent means for treating or disposing, with appropriate dignity, the human remains and associated grave goods within 24 hours of notification.	Palmdale Water District and Construction Contractor	During construction	
<i>Geology and Soils</i>				
<p>The proposed Project site and vicinity could encompass currently unknown active or potentially active faults and has not been subject to the proposed Project-specific geotechnical investigation.</p> <p>The proposed Project site could potentially experience peak ground shaking values of up to approximately 0.7 g in association with large earthquake events along major faults. This level of ground</p>	MM GEO-1: A site-specific geotechnical investigation shall be completed for the proposed Project prior to final Project design approval. This investigation shall identify appropriate site-specific criteria related to considerations such as grading, excavation, fill, and structure/facility design. Applicable results and recommendations from the geotechnical investigation (including on-the-ground geotechnical observations and testing to be conducted during the proposed Project excavation, grading and construction activities) shall be incorporated into the associated proposed Project design documents to address identified potential geologic and soil hazards. Specifically, this shall include, but is not necessarily limited to, the following potential hazards: ground rupture; ground acceleration (ground shaking); soil liquefaction (and related issues such as dynamic settlement and lateral spreading); landslides; geologic and soil instability (including manufactured slopes, trench excavations, compressible/collapsible soils, subsidence [based on review/verification or, if applicable, modification of the conclusions in the	Palmdale Water District	Prior to final Project design approval	

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Geology and Soils (cont.)</i>				
<p>shaking could potentially result in significant impacts to proposed facilities such as structures and pipelines.</p> <p>Based on the stratigraphic and seismic conditions in the proposed Project site vicinity, as well as the fact that the presence/level of groundwater in much of the site has not been verified, potential impacts from liquefaction and related effects would be potentially significant.</p> <p>Implementation of the proposed Project could potentially result in impacts associated with geologic and soil instability, including manufactured slopes, trench excavations, compressible/ collapsible soils, subsidence, and corrosive soils.</p> <p>While mapped alluvial soils in the proposed Project site and vicinity are generally identified as exhibiting low expansion potential, a number of these materials may locally exhibit higher clay content and related expansion potential.</p>	<p>proposed Project updated groundwater model], and corrosive soils); and expansive soils. The final proposed Project design documents shall also encompass applicable standard design and construction practices from sources including the CBC, IBC/Greenbook, and (as appropriate) City/County standards, along with the results and recommendations of plan review by the PWD and on-the-ground geotechnical observations and testing (with related requirements to be included in applicable engineering/design drawings and construction contract specifications). A summary of the types of remedial measures typically associated with identified potential geologic and soil hazards, pursuant to applicable regulatory and industry standards (as noted), is provided below. The remedial measures identified/recommended as part of the described site-specific geotechnical investigation shall take priority over the more general types of standard regulatory/industry measures listed below.</p> <ul style="list-style-type: none"> • <u>Ground Rupture</u>: (1) locate (or relocate) applicable facilities away from known active (or potentially active) faults and outside of associated CGS Earthquake Fault Zones; and (2) require appropriate (typically 50-foot) building exclusion buffers on either side of applicable fault traces. • <u>Ground Acceleration (Ground Shaking)</u>: (1) incorporate applicable seismic loading factors (e.g., IBC/CBC criteria) into the design of facilities such as structures, pavement, pipelines, manufactured slopes, and drainage facilities; (2) use remedial grading techniques where appropriate (e.g., removing/replacing and/or reconditioning unsuitable soils); and (3) use properly engineered fill per applicable industry/regulatory standards (e.g., IBC/CBC), including criteria such as appropriate fill composition, placement methodology, compaction levels, and moisture content. • <u>Liquefaction and Related Effects</u>: (1) remove unsuitable soils and replace with engineered fill (as previously described), per applicable regulatory/industry standards (e.g., IBC/CBC); (2) employ measures such as deep soil mixing (i.e., introducing cement to consolidate loose soils) or use of subsurface structures (e.g., stone columns or piles) to provide support (i.e., by extending structures into competent underlying units); (3) install subdrains in appropriate areas to avoid or reduce near-surface saturation; and (4) design for potential settlement of liquefiable materials through means such as use of post-tensioned foundations and/or flexible couplings for pipeline connections. 			

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Geology and Soils (cont.)</i>				
	<ul style="list-style-type: none"> • <u>Landslides:</u> (1) replace susceptible deposits with stabilized fill where appropriate; and (2) incorporate structures such as retaining walls and buttresses where appropriate to provide support. • <u>Geologic and Soil Instability:</u> (1) use standard efforts such as over-excavation and recompaction or replacement of unsuitable soils with engineered fill; (2) employ applicable slope grade and/or height limitations, landscaping/irrigation design, and slope drainage controls per established regulatory/industry standards (e.g., IBC/CBC); (3) limit trench slope grades as appropriate to reflect local conditions (e.g., dry or cohesive soils, and seepage); (4) use appropriate trench shoring per applicable regulatory requirements (CBC, OSHA and/or Cal-OSHA); (5) use engineered fill, subdrains, surcharging (i.e., loading prior to construction to induce settlement) and/or settlement monitoring (e.g., through the use of settlement monuments) in appropriate areas (e.g., areas of identified subsidence potential); (6) implement groundwater withdrawal monitoring/ restrictions per established legal/regulatory/ industry standards (if applicable); and (7) remove unsuitable (corrosive) deposits and replace with non-corrosive fill, use corrosion-resistant construction materials (e.g., corrosion-resistant concrete and coated or non-metallic facilities), and install cathodic protection devices (e.g., use of a more easily corroded “sacrificial metal” to serve as an anode and draw current away from the structure to be protected) per established regulatory/industry standards (e.g., IBC/CBC). • <u>Expansive Soils:</u> (1) replace and/or mix expansive materials with non-expansive fill; and (2) cap expansive soils in place with an appropriate thickness of non-expansive fill per established regulatory/industry standards (e.g., IBC/CBC). 			
<i>Hydrology and Water Quality</i>				
Overall drainage patterns within the site and vicinity are not anticipated to be substantially altered by proposed development; however, the associated site-specific effects to drainage patterns and flow directions within and from the proposed Project site cannot be determined due to lack of a detailed hydrology study.	MM HYD-1: Conduct a Site-specific Hydrologic Investigation. A site-specific hydrologic investigation shall be completed for the proposed Project prior to approval of final design. Applicable results and recommendations from this investigation shall be incorporated into the associated final design documents to address identified potential hydrologic concerns, including, but not necessarily limited to, drainage alteration, runoff rates/amounts and storm water management, and flood hazards. The final proposed Project design documents shall also encompass applicable standard design and construction practices from sources including NPDES and local standards (with related requirements to be included in applicable engineering/design drawings and/or construction contract specifications). A summary of the types of remedial measures typically associated with identified potential hydrologic concerns,	Palmdale Water District	Prior to final Project design approval	

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Hydrology and Water Quality (cont.)</i>				
<p>Potential impacts related to runoff rates/amounts and storm drain capacity from proposed Project development are expected to be less than significant; however, an assessment of pre- and post-development runoff rates is required to evaluate these conditions and pending completion of a detailed site-specific hydrology study, these impacts are conservatively assessed as potentially significant.</p> <p>Based on the subsurface location of most proposed facilities (i.e., pipelines) and the relatively minor extent of proposed surface development within the noted floodplains, no associated substantial impacts are anticipated in relation to structures impeding or redirecting flood flows. However, because detailed studies have not been conducted, site-specific effects related to flood flow movements and directions from proposed surface facilities are considered potentially significant.</p>	<p>pursuant to applicable regulatory and industry standards (as noted), is provided below. The remedial measures identified/recommended as part of the described site-specific hydrologic investigation will take priority over the more general types of standard regulatory/industry measures listed below.</p> <ul style="list-style-type: none"> • <u>Drainage Alteration:</u> (1) locate applicable facilities outside of surface drainage courses and drainage channels; (2) re-route surface drainage around applicable facilities, with such re-routing to be limited to the smallest area feasible and re-routed drainage to be directed back to the original drainage course at the closest feasible location (i.e., the closest location to the point of diversion); and (3) use drainage structures to convey flows within/through development areas and maintain existing drainage patterns, where appropriate and feasible. • <u>Runoff Rates/Amounts and Storm Water Management:</u> (1) minimize the installation of new impervious surfaces (e.g., by surfacing with pervious pavement, gravel or decomposed granite); (2) use flow regulation facilities (e.g., detention/retention basins) and velocity control structures (e.g., riprap dissipation aprons at drainage outlets), to maintain pre-development runoff rates and amounts, if applicable; and (3) utilize additional and/or enlarged drainage facilities to ensure adequate on- and off-site storm drain system capacity, if applicable. • <u>Flood Hazards:</u> (1) locate proposed facilities outside of mapped 100-year floodplain boundaries wherever feasible; (2) based on technical analyses such as Hydrologic Engineering Center-River Analysis System (HEC-RAS) studies, restrict facility locations to avoid adverse impacts related to impeding or redirecting flood waters; (3) based on HEC-RAS studies, use measures such as raised fill pads to elevate proposed structures above calculated flood levels, and/or utilize protection/containment structures (e.g., berms, barriers or water-tight doors) to avoid flood damage; and (4) if Project-related activities/facilities result in applicable proposed changes to mapped FEMA floodplains, obtain an approved Conditional Letter of Map Revision (CLOMR) and/or Letter of Map Revision (LOMR) from FEMA, as applicable. 			
Impacts to groundwater quality are potentially significant due to lack of site-specific water quality modeling and septic system evaluation.	MM HYD-2: Conduct a Site-specific Groundwater Quality Investigation. A site-specific groundwater quality investigation shall be completed for long-term operations associated with the proposed Project, prior to the RWQCB issuing a permit to operate. This investigation shall include detailed, numerical modeling to assess potential proposed Project-related effects to	Palmdale Water District	Prior to final Project design approval	

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Hydrology and Water Quality (cont.)</i>				
	<p>groundwater quality in the proposed Project Recovery Wells and other applicable wells in the site vicinity. Applicable results and recommendations from this investigation shall be incorporated into the associated individual final Project design documents to address identified potential long-term groundwater quality issues related to proposed recharge and recovery efforts, including the use of recycled water. The described modeling/investigative efforts and the final Project design documents shall also encompass applicable regulatory standards from sources including the SWQCB/RWQCB, CCR Titles 17 and 22 (including a Project-specific Title 22 Engineering Report per Article 7, Section 60323), Title 22 Water Code section 13562.5 for Groundwater Replenishment Using Recycled Water, and pertinent local standards, with related requirements to be included in associated engineering/design drawings and construction/operation contract specifications. Depending on the results of the noted modeling/investigative efforts, standard remedial measures that could potentially be used to address identified concerns may include: (1) reduction (e.g., through blending) or elimination of recycled water as a recharge source; (2) implementation of applicable source water treatment (e.g., to reduce TDS levels) prior to recharge; and (3) modification of the proposed Project elements such as the location and/or configuration of Recovery Wells (e.g., to increase the residence time and/or recovery percentage of recharged water), and/or the location/capacity of recharge basins. The measures identified/recommended as part of the described site-specific groundwater quality investigation shall take priority over the more general types of standard efforts identified above.</p>			
	<p>MM HYD-3: Conduct a Site-specific Septic System Investigation. A site-specific septic system investigation shall be completed for the proposed Project, prior to final Project design approval, to assess related potential impacts to groundwater quality. This investigation shall include appropriate analysis of the proposed septic system, pursuant to applicable regulatory requirements from sources including the SWQCB/RWQCB, Los Angeles County, and the City of Palmdale. Specific elements of the septic system analysis may include: (1) system design adequacy (e.g., septic tank/leach field locations and dimensions, and provision of adequate separation from groundwater aquifers); (2) soil/percolation testing; (3) assessment of potential groundwater quality impacts from nitrates and other applicable contaminants; and (4) identification of appropriate operation and maintenance requirements to ensure proper system function. Applicable results and recommendations from this investigation shall be incorporated into the final septic system design to address potential groundwater quality issues related to proposed</p>	Palmdale Water District	Prior to final Project design approval	

<p align="center">Table 1 (cont.)</p> <p align="center">PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT MITIGATION MONITORING AND REPORTING PROGRAM</p>				
POTENTIALLY SIGNIFICANT IMPACT	MITIGATION MEASURE	MITIGATION RESPONSIBILITY	MITIGATION TIMING	CERTIFIED INITIAL / DATE
<i>Hydrology and Water Quality (cont.)</i>				
	septic system operation. Depending on the results of the noted evaluation, standard remedial measures that could potentially be used to address identified concerns may include: (1) redesign/relocation of proposed septic system facilities; (2) use of alternative septic system design (e.g., disinfection systems); (3) use of alternative waste disposal systems (e.g., composting or incinerator toilets); and (4) connection to a municipal sewer system. The measures identified/ recommended as part of the described septic system investigation shall take priority over the more general types of efforts identified above.			
<i>Noise</i>				
Operational noise associated with Recovery Wells within the City of Lancaster and unincorporated Los Angeles County would result in noise levels in excess of the respective standards for each jurisdiction at the nearest property lines.	MM NOI-1: Recovery Well Building Design. If the PWD does not own all of the land within 750 feet of a planned well pump and pump building outside the City of Palmdale limits, the well building shall be designed and built to provide noise control reduction to the less-than-significant level of 45 dBA at 50 feet. Specifically, this could potentially include standard industry measures such as providing appropriately designed noise-control louvers or in-line duct silencers for the well building ventilation to reduce external noise levels.	Palmdale Water District	Prior to final Project design approval	

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: July 7, 2016 **July 13, 2016**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Jim Riley, Engineering/Grant Manager
VIA: Mr. Matt Knudson, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO.'S 7.6, 7.7 AND 7.8 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO.'S 16-10 (REIMBURSEMENT RESOLUTION), 16-11 (AUTHORIZATION RESOLUTION) AND 16-12 (PLEDGED REVENUES RESOLUTION) FOR THE FINANCIAL SECURITY PACKAGE FOR SUBMITTAL TO STATE OF CALIFORNIA WATER RECYCLING GRANT AND CONSTRUCTION LOAN PROGRAM FOR THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT***

Recommendation:

That the Board:

1. Approve staff to prepare the Financial Security package application for the Proposition 1 Water Recycling Program, California State Water Resources Control Board, Division of Financial Assistance.
2. Approve a Grant and Construction Funding request of the State Water Resources Control Board of \$15,000,000 in grant funding and for a low interest construction loan of 1.7% for \$40,000,000.
3. Approve Reimbursement Resolution No. 16-10, a requirement for the Financial Security Application.
4. Approve Authorizing Resolution No. 16-11, a requirement for the Financial Security Package.
5. Approve Pledged Revenue Resolution No. 16-12, a requirement for the Financial Security Package.
6. Authorize the General Manager to transmit the Financial Security application and resolutions to the State Water Resources Control Board, Division of Finance.

Impact of Taking No Action

1. The District would lose the potential for a \$15,000,000 construction grant.
2. The District would lose early consideration for a low interest construction loan.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Matt Knudson, Assistant General Manager
Mr. Dennis D. LaMoreaux, General Manager

July 7, 2016

Background:

On November 4, 2014, California voters approved Proposition 1, the Water Quality Supply and Infrastructure Improvement Act of 2014. The Act authorizes \$7.5 billion in general obligation bonds for new water programs.

The Act allocates \$630 million for water recycling projects. Projects eligible for funding include those in the design and construction phase such as the District's Palmdale Regional Groundwater Recharge and Recovery Project.

The State Water Resources Control Board issued draft guidelines in March, 2015 regarding applications and criteria for funding. The guidelines stated that construction grant funds would be limited to a maximum of 35% of construction costs with a maximum grant funding of \$15,000,000. The remaining required funding for construction would be provided through a low interest loan of 1.7% through the Clean Water State Revolving Fund of the State of California.

The District has completed 30% level design (November, 2015), Draft Environmental Impact Report (November, 2015), Title 22 Engineering Report (February, 2016) and is expected to file the Final Environmental Impact Report in July of 2016.

It is advantageous for the District to submit the Financial Security Package and resolutions to the State Water Resources Control Board for grant and construction funding under the water recycling component of Proposition 1. By submitting an application at this time, the District would better position itself to be considered for grant and construction funding.

Budget:

Construction grant funding of 35% of construction costs has the potential to result in \$15,000,000 in grant funding and a low interest construction loan of \$40,000,000 at a 1.7% interest rate.

The repayment of the construction loan would be approximately \$1,700,000 over a 30-year loan period.

Strategic Water Initiative

Initiative No. 1 - Water Resource Reliability

Supporting Documents:

- Resolution No. 16-10, Reimbursement Resolution
- Resolution No. 16-11, Authorizing Resolution
- Resolution No. 16-12, Pledge Revenues Resolution

**PALMDALE WATER DISTRICT
RESOLUTION NO. 16-10****A RESOLUTION OF THE BOARD OF DIRECTORS OF
PALMDALE WATER DISTRICT PROVIDING FOR
REIMBURSEMENT OF PROJECT COSTS RELATING TO THE
PALMDALE REGIONAL GROUNDWATER RECHARGE AND
RECOVERY PROJECT, AND TAKING CERTAIN OTHER
ACTIONS RELATING THERETO**

WHEREAS, the Palmdale Water District (the "District") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to Palmdale Regional Groundwater Recharge and Recovery Project, including groundwater wells, recharge basins, pipelines and other water delivery infrastructure (the "Project");

WHEREAS, the District intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board);

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"),

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the District desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the District; and

WHEREAS, the District has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the District for the Expenditures from the proceeds of the Obligations.

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

SECTION 1. The District hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$55,000,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the District will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. The District's expenditures will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, the District is not aware of the previous adoption of official intents by the District that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the District in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and the District so finds, determines and represents.

PASSED, APPROVED and ADOPTED this 13th day of July 2016.

Robert Alvarado, President
Board of Directors
Palmdale Water District

Joe Estes, Secretary
Board of Directors
Palmdale Water District

Approved as to form:

Aleshire & Wynder, LLP
District Legal Counsel

**PALMDALE WATER DISTRICT
RESOLUTION NO. 16-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
PALMDALE WATER DISTRICT AUTHORIZING THE
PREPARATION AND FILING OF AN APPLICATION FOR
FINANCIAL ASSISTANCE FROM THE STATE WATER
RESOURCES CONTROL BOARD RELATING TO THE
PALMDALE REGIONAL GROUNDWATER RECHARGE
AND RECOVERY PROJECT, AND TAKING CERTAIN
OTHER ACTIONS RELATING THERETO**

WHEREAS, Proposition 1, the Water Quality, Supply and Infrastructure Act of 2014 provides funding for water supply reliability projects;

WHEREAS, the State of California provides low interest financing for water recycling projects through the State Revolving Fund (“SRF”);

WHEREAS, the District submitted an application for a water recycling planning grant for the Palmdale Regional Groundwater Recharge and Recovery Project (the “Project”);

WHEREAS, the State Water Resources Control Board has approved a water recycling planning grant for the Project; and

WHEREAS, the Palmdale Water District needs financial assistance to construct and implement the Project.

NOW THEREFORE LET IT BE RESOLVED by the Board of Directors of the Palmdale Water District (the “District”):

SECTION 1. The General Manager (the “Authorized Representative”) or his or her designee is hereby authorized and directed to sign and file, for and on behalf of the District, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board comprised of a construction grant and low interest loan not-to-exceed \$ 55,000,0000 for the planning, design and construction of the Palmdale Regional Groundwater Recharge and Recovery Project (the “Project”).

SECTION 2. The Authorized Representative, or his/her designee, is designated to provide the assurances, certifications and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

SECTION 3. The Authorized Representative, or his/her designee, is designated to represent the District in carrying out the District’s responsibilities under the financing agreement, including certifying disbursement requests on behalf of the District and compliance with applicable state and federal laws.

PASSED, APPROVED and ADOPTED this 13th day of July 2016.

Robert Alvarado, President
Board of Directors
Palmdale Water District

Joe Estes, Secretary
Board of Directors
Palmdale Water District

Approved as to form:

Aleshire & Wynder, LLP
District Legal Counsel

**PALMDALE WATER DISTRICT
RESOLUTION NO. 16-12****A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
PALMDALE WATER DISTRICT AUTHORIZING THE
PLEDGING OF REVENUES FROM THE SALES OF WATER
FOR REPAYMENT OF THE LOANED FUNDS FOR THE
PALMDALE REGIONAL GROUNDWATER RECHARGE AND
RECOVERY PROJECT, AND TAKING CERTAIN OTHER
ACTIONS RELATING THERETO**

WHEREAS, the Palmdale Water District (“District”) (formerly known as Palmdale Irrigation District) was formed in 1918 under the provisions of Division 11 of the Water Code of the State of California;

WHEREAS, the District’s primary functions are to acquire, control, conserve, and distribute water for the beneficial use of inhabitants and water users within the District’s service area;

WHEREAS, the District is in the process of obtaining water rights from the LA County Sanitation District No. 20 for the effluent of the Palmdale Tertiary Treated Wastewater Plant;

WHEREAS, the District will blend the recycled water with water from the State Water Project and recharge the commingled water to the groundwater basin for future domestic use;

WHEREAS, the District has the authority to charge fees for the domestic water delivered by the Palmdale Regional Groundwater Recharge and Recovery Project (the “Project”);

WHEREAS, the District has previously entered into (a) an Installment Purchase Agreement, by and between the District and the Palmdale Water District Corporation, dated as of November 1, 2012 (the “2012 Contract”), and (b) an Installment Purchase Agreement, by and between the District and the Palmdale Water District Public Financing Authority, dated as of May 1, 2013 (the “2013 Contract”), both secured by certain revenues of the District on a parity with each other; and

WHEREAS, the District has the authority to enter into contracts with the State Water Resources Control Board for construction and repayment of the Project, and to pledge certain revenues of the District to the repayment of such contracts subordinate to or on a parity with the 2012 Contract and the 2013 Contract.

NOW THEREFORE LET IT BE RESOLVED by the Board of Directors of the Palmdale Water District:

SECTION 1. All Water Revenues and all amounts on deposit in the Water Revenue Fund and the Rate Stabilization Fund are hereby irrevocably pledged to the payment of any and all amounts borrowed from the Clean Water State Revolving Fund and/or Water Recycling Funding Program financing the Project (the “Loan”), and the Water Revenues shall not be used for any other purpose while the Loan remains unpaid; provided that out of the Water Revenues and amounts on deposit in the Water Revenue Fund there may be apportioned such sums for such purposes as are expressly permitted pursuant to the terms of the agreement governing the Loan. This pledge, together with

the pledge created by all other Contracts and Bonds, shall constitute a first lien on Water Revenues and the Water Revenue Fund and all amounts on deposit therein as permitted herein and subject to the application of Water Revenues in accordance with the terms hereof.

In order to carry out and effectuate the pledge and lien described above, the District has covenanted that all Water Revenues shall be received by the District in trust and shall be deposited when and as received in the "Water Revenue Fund" which fund the District has previously established and agrees and covenants to maintain and to hold separate and apart from other funds so long as the Loan, and any Contracts or Bonds remain unpaid. Moneys in the Water Revenue Fund shall be used and applied by the District as provided for in the agreement governing the Loan and any outstanding Contracts or Bonds.

The District shall, from the moneys in the Water Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and Maintenance Costs become due and payable. All remaining moneys in the Water Revenue Fund shall be set aside by the District as required by the Loan, and any outstanding Contracts or Bonds.

The term "Water Revenues" means, for any Fiscal Year, all income, rents, rates, fees, charges and other moneys derived from the ownership or operation of the District's Water System, including, without limiting the generality of the foregoing, (1) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the District from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System, plus (2) proceeds of the District's share of the County's 1% property tax received by the District, if any, plus (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys, including District reserves and the Reserve Fund, plus (4) the proceeds of any stand by or water availability charges collected by the District, but excluding in all cases customer deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and excluding any proceeds of any taxes or assessments required by law to be used by the District to pay bonds heretofore or hereafter issued and any assessments levied and collected by the District to pay any contract payments due under the State Water Supply Contract, plus (5) money withdrawn from the Rate Stabilization Fund in such Fiscal Year, minus (6) any Revenues transferred to the Rate Stabilization Fund in such Fiscal Year. Any terms not defined herein shall have the meaning set forth under the 2013 Contract.

The term "Water System" means the entire water supply, treatment, storage and distribution system of the District, including but not limited to all facilities, properties and improvements at any time owned, controlled or operated by the District for the supply, treatment and storage of water to residents of the District and adjacent areas, and any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto at any time acquired, constructed or installed by the District.

The term “Water Revenue Fund” means the Water System Revenue Fund described in Section 5.2 of the 2013 Contract.

The term “Rate Stabilization Fund” means the fund by that name established pursuant to the 2012 Contract.

The term “Contracts” means the 2012 Contract, the 2013 Contract, and any amendments and supplements hereto, and all contracts of the District authorized and executed by the District, the payments under which are on a parity with the 2013 Contract, the 2012 Contract, and the Loan, and which are secured by a pledge and lien on the Water Revenues. The term “Contracts” does not include the contracts with the State of California for the State Water Project, including the State Water Supply Contract.

The term “Bonds” means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are on a parity with the Loan, the 2012 Contract, and the 2013 Contract, and which are secured by a pledge of and lien on the Water Revenues. The term Bonds does not include bonds heretofore or hereafter issued required by law to be paid by the District from taxes or assessments which are not Water Revenues

The term “Operation and Maintenance Costs” means the reasonable and necessary costs paid or incurred by the District for maintaining and operating the Water System of the District, determined in accordance with generally accepted accounting principles, including any water purchase costs (exclusive of any recovered amount from the State of California’s Department of Water Resources in accordance with the State Water Supply Contract) and all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System of the District in good repair and working order, and including all administrative costs of the District that are charged directly or apportioned to the maintenance and operation of the Water System of the District, such as salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of the District or charges required to be paid by it to comply with the terms of the Installment Purchase Agreement and other Bonds and Contracts, such as compensation, reimbursement and indemnification of the Trustee; excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, all capital charges, and any contract payments due under the State Water Supply Contract paid from the proceeds of any assessments levied and collected by the District to pay contract payments due under the State Water Supply Contract.

SECTION 2. The District commits to collecting such revenues and maintaining such fund(s) throughout the term of such financing and until the District has satisfied its repayment obligation thereunder unless modification or change is approved in writing by the State Water Resources Control Board. Nothing contained herein shall commit the District to repayment of amounts borrowed from the Clean Water State Revolving Fund for financing the Project from any source except as specifically pledged hereunder. Additionally, nothing contained herein shall commit the District from payment of any amounts owed to the Clean Water State Revolving Fund in excess of amounts available from the Net Water Revenues.

SECTION 3. So long as the financing agreement(s) are outstanding, the District's pledge hereunder shall constitute a lien in favor of the State Water Resources Control Board on the foregoing fund(s) and revenue(s) without any further action necessary.

SECTION 4. So long as the financing agreement(s) are outstanding, the District commits to maintaining the fund(s) and revenue(s) at levels sufficient to meet its obligations under the financing agreement(s).

PASSED, APPROVED and ADOPTED this 13th day of July 2016.

Robert Alvarado, President
Board of Directors
Palmdale Water District

Joe Estes, Secretary
Board of Directors
Palmdale Water District

Approved as to form:

Aleshire & Wynder, LLP
District Legal Counsel

**ACWA REGION 8 PRESENTS: NOT IF, BUT WHEN:
PREPARING FOR THE NEXT DISASTER**
August 4, 2016
Los Angeles

TOTAL REMAINING BALANCE. _____

Please review these limitations.

ARRIVAL DATE/TIME: _____ DEPARTURE DATE/TIME: _____

Dawn Deans

From: Ana Torres <AnaT@acwa.com>
Sent: Thursday, June 23, 2016 12:56 PM
Subject: Registration Open! ACWA Region 8 Program - August 4, 2016



REGISTRATION OPEN!
ACWA REGION 8 PRESENTS:
Not if, but When: Preparing for the Next Disaster

Thursday, August 4, 2016
9:30 a.m. to 2:00 p.m.
Metropolitan Water District of Southern California
Committee Room
700 North Alameda Street, Los Angeles, CA 90012

ACWA Region 8 invites you to an event that will highlight important issues for California water agencies when preparing for the next natural disaster. The program will feature a panel discussion of water agencies discussing its plans for disaster preparedness and a keynote address on preparing for the next earthquake. The program will also include an ACWA update and a water supply update.

Registration is available until July 29:

<https://portal.acwa.com>

ACWA Member Pre-Registration Fee: \$50

Non-Member Pre-Registration Fee: \$75

A \$5 fee will be added to onsite registrations. Onsite registrations will be accommodated as space permits.

Registration fee includes parking, continental breakfast, lunch, refreshments and materials.

Online registration deadline is July 29, 2016 or until space is full. Onsite registrations will be accommodated as space permits. Cancellations must be received in writing by 5 p.m. on July 29, 2016, in order to cancel a registration and receive reimbursement. Substitutions can be made by requesting it in writing by July 29, 2016. After that date, substitutions can be handled onsite at the event. Event details are subject to change and registrants will be notified by e-mail if changes occur.

Questions?

Contact Regional Affairs Representative Brandon Ida at brandoni@acwa.com or Regional & Member Services Specialist II Ana Torres at anat@acwa.com or call (916) 441-4545.

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