

Since 1918



PALMDALE WATER DISTRICT

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LLP
Attorneys

October 20, 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, October 26, 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.



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



- 5) Presentations:
 - 5.1) ACWA Regulatory Summit. (Director Henriquez/Deputy Water & Energy Resources Director Thompson II)
- 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 special meeting held October 4, 2016.
 - 6.2) Approval of minutes of regular meeting held October 12, 2016.
 - 6.3) Payment of bills for October 26, 2016.
 - 6.4) Approve absences of Director Dino and Director Estes from October 12, 2016 Board meeting due to conference attendance. (General Counsel Dunn)
 - 6.5) Approval to reject claim received from Steve Voloshin and refer to Joint Powers Insurance Authority. (Finance Manager Williams)
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
 - 7.1) Consideration and possible action on Recycled Water Purchase Agreement with County Sanitation District No. 20 of Los Angeles County. (No Budget Impact – Assistant General Manager Knudson)
 - 7.2) Consideration and possible action on ratification of no-cost Lease Agreement with County Sanitation District No. 20 of Los Angeles County for the purpose of installing three monitoring wells in connection with the Palmdale Regional Groundwater Recharge and Recovery Project. (No Budget Impact – Assistant General Manager Knudson)
 - 7.3) Consideration and possible action on ratification of no-cost Entry Permit with County Sanitation District No. 20 of Los Angeles County for the purpose of soils investigation and constructing a temporary infiltration test basin in connection with the Palmdale Regional Groundwater Recharge and Recovery Project. (No Budget Impact – Assistant General Manager Knudson)
 - 7.4) Consideration and possible action on new video and voting system for main Board room. (\$60,000.00 – Budgeted – Information Technology Manager Stanton)
 - 7.5) Consideration and possible action on Outreach activities. (Public Affairs and Sustainability Director McNutt)
 - a) Preliminary outreach plans for 2017
 - b) Upcoming events
 - c) Status of AguaVaganza Music Contest
 - d) Board outreach recommendations.

- 7.6) 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) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) AVSWCA
 - 8.2) Report of General Manager.
 - a) October, 2016 written report of activities through September, 2016.
 - 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

DDL/dd

Director Dino and Director Estes were absent from the October 12, 2016 Regular Board Meeting. Agenda Item No. 6.4 has been placed on the Consent Calendar to excuse these absences pursuant to Section 4.07.2 of the District's Rules and Regulations which states, "The Board shall excuse absences by approving such absences pursuant to the Consent Calendar at the next regular Board meeting."

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE:	October 18, 2016	October 26, 2016
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Matthew Knudson, Assistant General Manager	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	<i>AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON RECYCLED WATER PURCHASE AGREEMENT WITH COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY</i>	

Recommendation:

Staff recommends the Board approve the attached agreement for purchase and sale of recycled water between Palmdale Water District (PWD) and County Sanitation District No. 20 of Los Angeles County (CSD).

Financial Impacts:

The approval of the attached agreement will not have an immediate impact on PWD's budget. The agreement allows PWD a couple of years before there are minimum payments due to CSD, based on increasing volumes of recycled water. The schedule for said volumes of recycled water correlates to the timing of recycled water anticipated for PWD's proposed Palmdale Regional Groundwater Recharge and Recovery Project and the recycled water distribution system being developed through the Palmdale Recycled Water Authority.

Background:

The proposed Agreement will provide Palmdale Water District the option to purchase up to 5,325 acre-feet per year of recycled water produced by the Palmdale Water Reclamation Plant (WRP) for use at the proposed Palmdale Regional Groundwater Recharge and Recovery Project and at direct reuse sites along the proposed expansion of an existing recycled water distribution system through the Palmdale Recycled Water Authority. The Agreement has an initial term of 30 years and provides an option to extend the term for an additional 20 years at a price conforming to the County Sanitation Districts' then-current pricing policy.

Strategic Plan Initiative:

2016 Strategic Plan Initiative No. 1 – Water Resource Reliability

Supporting Documents:

- Agreement for Purchase and Sale of Recycled Water between County Sanitation District No. 20 of Los Angeles County and Palmdale Water District



AGREEMENT FOR PURCHASE AND SALE OF RECYCLED WATER

between

COUNTY SANITATION DISTRICT No. 20 OF LOS ANGELES COUNTY

and

PALMDALE WATER DISTRICT

CSD CONTRACT No. _____

October , 2016

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EXHIBITS

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Exhibit B – Sanitation District Recycled Water Ordinance

Exhibit C – Sanitation District Requirements for Recycled Water Users

AGREEMENT FOR PURCHASE AND SALE OF RECYCLED WATER

This Agreement for Purchase and Sale of Recycled Water (“**Agreement**”) is dated October __, 2016 (“**Effective Date**”) and is between County Sanitation District No. 20 of Los Angeles County (the “**Sanitation District**”) and the Palmdale Water District (“**PWD**”). The Sanitation District and PWD are referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties**.”

A. The Sanitation District. The Sanitation District is a county sanitation district organized and existing under the County Sanitation District Act, Chapter 3, Part 3, Division 5 of the Health and Safety Code, Section 4700 *et seq.* This Agreement exercises authority conferred by law including but not limited to the County Sanitation District Act and Section 1210 and Division 7 (Chapters 7 and 7.5) of the California Water Code.

B. Palmdale Plant. The Sanitation District owns and operates a water reclamation plant in the City of Palmdale known as the Palmdale Water Reclamation Plant (“**Plant**”).

C. Legal Authority to Sell Recycled Water. Under California Water Code Section 1210, the Sanitation District has the exclusive right to all recycled water produced by its water reclamation plant. The Sanitation District is authorized under Health & Safety Code Sections 4744 and 4745 to sell or beneficially use any recycled water recovered from the operation of the Plant.

D. Recycled Water Ordinance. The District Recycled Water Ordinance establishes requirements for all users of the Sanitation District’s recycled water, including the requirement that all users execute a user agreement. This Agreement constitutes the user agreement required by the Ordinance.

E. PWD’s Recharge Project. PWD is an irrigation district formed under Division 11 of the California Water Code. PWD is pursuing a project, the Palmdale Regional Groundwater Recharge and Recovery Project (“**Recharge Project**”), which is intended to recharge groundwater by surface spreading a blend of recycled water and imported water at a site in northeast Palmdale, a portion of which site is located on Sanitation District property. The construction and operation of the Recharge Project is subject to regulatory approval.

F. PWD’s Intended Recharge Use. PWD intends to progressively increase the proportion of recycled water in its blend of recycled water and imported water during the first ten years of the Recharge Project, pending approval by the State and the California Regional Water Quality Control Board, Lahontan Region (“**Regional Board**”). Specifically, PWD proposes to use 2,000 AFY for the first three years of the project, 3,000 AFY for the next two years, and 4,000 AFY for the following five years. Additional flows are proposed, but actual usage will be contingent upon regulatory approval and the availability of imported water to blend. Separate agreements between the Sanitation District and PWD may be necessary in the future to address requirements for the use of recycled water for groundwater recharge, such as source control or monitoring and reporting requirements that will put in place once the groundwater recharge permit has been issued.

G. Authority's Purple Pipe Project. PWD, together with the City of Palmdale, has formed and is a member of the Palmdale Recycled Water Authority ("**Authority**"). The Authority, a joint powers authority, plans to extend an existing "purple pipe" recycled water distribution system for direct reuse ("**Purple Pipe Project**") in the City of Palmdale. The phased extension is described in Table 1 of Section 5.2 of the Authority's Recycled Water Facilities Plan Initial Study/Mitigated Negative Declaration ("**MND**"). A separate agreement between PWD and the Authority will address the use of recycled water allotted under this Agreement for Purple Pipe purposes.

H. Other Regional Recycled Water Commitments. The Sanitation District has previously entered into several contracts in which the Sanitation District committed to make a portion of recycled water from the Plant available to Los Angeles County Waterworks District No. 40 ("**Waterworks**"), the City of Palmdale, and the City of Lancaster. The Sanitation District also manages the remaining recycled water produced at the Plant by delivering that water to property leased from Los Angeles World Airports ("**LAWA**") for agricultural irrigation purposes. Because recycled water demands vary daily and seasonally, the Sanitation District delivers initially unused recycled water to its storage reservoir facilities for later use. The varying demands from these recycled water contracts necessitate that the Sanitation District remain sufficiently informed of customers' planned recycled water use and require that all recycled water deliveries are subject to withdrawal rate limits.

I. Allocations Among Other Users. Since 2013, the Sanitation District, Waterworks, the City of Palmdale, and the City of Lancaster have been and are continuing to negotiate an allocation of rights between the agencies to purchase recycled water produced by the Sanitation District at the Plant and by County Sanitation District No. 14 of Los Angeles County at its Lancaster Water Reclamation Plant. Because the City of Palmdale intends to eventually transfer the majority of its proposed allotment of recycled water produced at the Plant to the Authority (with the exception of 400 AFY for a proposed Power Plant in the City of Palmdale), the City of Palmdale's allotment will be reduced by the quantity of recycled water under this Agreement once the negotiations are finalized.

J. PWD's Intent. By entering into this Agreement, PWD intends to provide the Sanitation District with assurance that PWD will use the recycled water for beneficial reuse purposes and will properly plan, commit resources, pursue funding, and implement the Recharge Project and Purple Pipe Project.

K. Parties' Intent. The Parties intend by this Agreement to provide for the conditions under which the Sanitation District will supply recycled water to PWD for the purpose of the Recharge Project and the Purple Pipe Project.

The Parties therefore agree as follows:

1. **Definitions.** For the purposes of this Agreement, the terms below have the following definitions:

1.1. "**AFY**" means acre-feet per year.

- 1.2. “**Alternative Water**” means PWD’s potable water supply which may include groundwater, imported water, or other water sources.
- 1.3. “**Chief Engineer**” means the Chief Engineer and General Manager of the District or his or her authorized designee.
- 1.4. “**Recycled Water Ordinance**” means the *Ordinance Providing for the Establishment and Enforcement of Regulations Pursuant to the Water Recycling Requirements for Recycled Water Users*, adopted February 28, 2007, as may be amended from time to time, which is attached as Exhibit B.
- 1.5. “**Fiscal Year**” means the District’s fiscal year, beginning on July 1 of any given year, and continuing through June 30 of the following calendar year.
- 1.6. “**Permit**” means any WDR, WRR, or other permit issued by the Regional Board to the Sanitation District relating to the use of recycled water.
- 1.7. “**Regional Board**” means the applicable California Regional Water Quality Control Board.
- 1.8. “**Reuse Site**” means an authorized location at which recycled water provided by PWD is used.
- 1.9. “**Regulations**” means the Sanitation District’s “Requirements for Recycled Water Users,” which is attached as Exhibit C.
- 1.10. “**Requirements**” means the disinfected tertiary recycled water standard as defined in Section 60301.230 of the July 16, 2015 version of Title 22, Division 4, Chapter 3 of the California Code of Regulations.
- 1.11. “**State Board**” means the California State Water Resources Control Board.
- 1.12. “**WRR**” means Waste Discharge Requirements or Water Recycling Requirements established for the Plant by the Regional Board (currently Board Order R6V 2012-0002) as may be amended from time to time.
2. **Duration.** The duration of this Agreement is 30 years from the Effective Date. The duration of the Agreement may be extended pursuant to the conditions of Section 13.
3. **Principal Duties and Privileges of the Parties.**
 - 3.1. PWD shall purchase recycled water from the Sanitation District under the terms set forth in this Agreement.
 - 3.2. The Sanitation District shall sell to PWD up to 5,325 AFY of recycled water from the Plant subject to availability and the conditions described in Section 5.

- 3.3. PWD shall not draw in excess of the volumes specified in Section 5. PWD may draw from the Sanitation District only the volume of recycled water that the PWD can put to beneficial use.
- 3.4. PWD shall comply with the Regulations, the Sanitation District's Recycled Water Ordinance, and all relevant federal, state, regional, and local laws and regulations regarding conveyance and use of recycled water. PWD acknowledges that any violation of this Agreement constitutes a violation of the Sanitation District's Recycled Water Ordinance.

4. **Facilities for Delivery and Distribution of Recycled Water**

- 4.1. The Sanitation District shall determine the location of and provide to PWD up to two mutually acceptable points of connection (each a "**Point of Connection**"), one along the existing offsite effluent pipeline and one on the site of the Plant from which PWD may draw recycled water. The Chief Engineer or her authorized designee may from time to time change the location of a Point of Connection, and following an opportunity to meet and confer, will provide reasonable notice (no less than 18 months) to PWD to relocate a Point of Connection. PWD shall bear all costs if a Point of Connection location is changed.
- 4.2. PWD shall be responsible for all costs to construct any and all additional facilities required to deliver and distribute the recycled water purchased by PWD, including pumps, pipelines, meters, controls, and other facilities. PWD shall bear all operation and maintenance costs related to any PWD delivery and distribution facilities.
- 4.3. The Chief Engineer, in her sole discretion, may permit some of PWD delivery facilities to be located on the site of the Plant as a matter of convenience. Following construction of any PWD facilities on District property, the Chief Engineer may require relocation and PWD shall bear all costs arising out of or relating to that relocation. All PWD facilities located on Sanitation District property will be subject to the approval of the Chief Engineer and execution of a separate agreement, including payment of any reasonable costs, fees, or rent.
- 4.4. PWD shall reimburse the Sanitation District for any operational and maintenance costs incurred by the Sanitation District in connection with PWD's facilities.

5. **Recycled Water Quantity**. The quantity of water subject to this Agreement is as follows:

- 5.1. **Allotment**. The Sanitation District shall make available to PWD certain amounts of recycled water produced at the Plant from which PWD may draw ("**Allotment**"). PWD shall not draw more than:
 - A. 4,000 AFY for the Recharge Allotment ("**Recharge Allotment**"); and
 - B. 1,325 AFY for the Purple Pipe Allotment ("**Purple Pipe Allotment**").

- 5.2. Assignment. PWD may assign its Allotment, or any portion of the Allotment, to the Authority upon the execution of an assignment agreement in a form approved by the Chief Engineer and Sanitation District's counsel and subject to the terms of this Agreement.
- 5.3. Additional Temporary Supply. The Chief Engineer may, from time to time, notify PWD of the temporary availability of additional volumes of recycled water in excess of the Allotment. However, PWD's temporary receipt of any volume in excess of its Allotment will not permanently increase PWD's Allotment.
- 5.4. Permanent Increases to Allotment. The Chief Engineer will notify PWD if additional permanent supplies of recycled water become available at the Plant. PWD may request an increased allotment pursuant to the terms contained in that notice.
- 5.5. Mandatory Reductions. PWD acknowledges that circumstances beyond the control of the Sanitation District may result in a temporary or permanent decrease in the volume of recycled water available to PWD. Further, some water stored in reservoirs will be lost to evaporation. In the event of a decrease in availability, the Chief Engineer shall promptly notify PWD and allocate the available supply of recycled water from the Plant in the following manner:
- A. The Chief Engineer shall first ensure that the Sanitation District receives an adequate supply to meet Sanitation District needs at the Plant and at any other Sanitation District-owned or Sanitation District-operated facilities.
 - B. The Chief Engineer shall next allocate recycled water to any environmental use, or other use required of the Sanitation District by state or federal law or regulation.
 - C. The Chief Engineer shall then allocate the remaining supply of recycled water among PWD and other recycled water users in proportion to their actual use during the previous fiscal year.
 - D. If the allocated recycled water is less than the minimum payment equivalent, then PWD shall be responsible only for payment for the portion of allotment made available during that fiscal year.
- 5.6. Withdrawal Restrictions. Recycled water provided to PWD by the Sanitation District will be subject to withdrawal restrictions on a gallon per minute and/or daily maximum withdrawal rate, which will be periodically set by the Sanitation District. The Sanitation District shall notify PWD of the current maximum withdrawal rate. The determination of maximum withdrawal rates are based on the following: (1) Plant operational needs; (2) other Sanitation District operational needs; (3) the needs of the Sanitation District's agricultural operation; (4) the needs of other recycled water customers; (5) seasonal trends in influent flow to the Plant; and (6) the withdrawal location.

- 5.7. Allotment Transfer. If, after the 10-year anniversary of the Effective Date of this Agreement, PWD has not or is not using some or all of its Allotment, then a portion or all of the unused Allotment is subject to transfer to other parties as follows:
- A. If another allotment holder requests to acquire additional recycled water above its allotment and has a viable project that will be completed within three years as determined by the Sanitation District, the Parties shall meet and confer within 45 days of the Sanitation District requesting a meeting regarding the allotment change. The Sanitation District shall not enter into an agreement for the transfer of recycled water allotment that reduces PWD's Allotment if PWD can demonstrate to the Sanitation District (at the sole discretion of the Sanitation District) that PWD has a viable project in progress that will be completed within three years and that would be negatively affected by the proposed reduction in allotment.
 - B. If a third party (not holding an allotment) within Los Angeles County wishes to purchase recycled water, the Sanitation District will first direct the third party to pursue purchasing recycled water from an allotment holder. If none of the allotment holders will accommodate the demand and the third party has a viable project that can be completed within three years as determined by the Sanitation District, the Sanitation District will consider sale of recycled water to the third party and a reduction in allotments. If the Sanitation District proposes to reduce PWD's Allotment, the Parties shall meet and confer within 45 days of the Sanitation District requesting a meeting regarding the allotment change. The Sanitation District shall not enter into an agreement for the transfer of recycled water allotment that reduces PWD's Allotment if PWD can demonstrate to the Sanitation District (at sole discretion of the Sanitation District) that PWD has a viable project in progress that will be completed within three years and that would be affected by the proposed reduction in allotment.
 - C. If the Sanitation District reduces PWD's Allotment under this Section 5.7, the reduction will apply for the remaining duration of the Agreement, subject to the other allotment reduction provisions of this Agreement.
- 5.8. Recharge Project Milestones. PWD must meet certain milestones toward the completion of its Recharge Project in order to continue to receive its Recharge Allotment. The Recharge Project milestones are as follows:
- A. Milestone 1 (Funding for First Phase Using Recycled Water): Within three years after the execution of this Agreement, PWD must secure and present the Sanitation District with records demonstrating that PWD has secured sufficient project funding to construct the first phase of the Recharge Project that will use recycled water under this Agreement.
 - B. Milestone 2 (Award of Contracts): Within three years after securing sufficient funding for the first phase of the Recharge Project that will use recycled water, PWD must award all of the contracts necessary to complete construction of a phase of the Recharge Project that will use recycled water under this Agreement.

- C. Milestone 3 (Operation): Within one year after completing construction of a phase of the Recharge Project that will use recycled water, PWD must begin operation of the Recharge Project using recycled water from the Plant.
- 5.9. Recharge Abandonment and Milestones Deadlines. If the Recharge Project is abandoned or if PWD fails to meet any of the milestones by the dates listed in Section 5.8, then PWD's Recharge Allotment will be automatically reduced as of the date of the unmet milestone, to the higher of (i) PWD's highest use over the prior 3 fiscal years or (ii) the amount of PWD's minimum payment equivalent. The Chief Engineer, at her sole discretion, may extend PWD's Recharge milestones deadlines upon proof of a project delay not caused by, or within the control of, PWD.
- 5.10. Other Recharge Allotment Reductions. The Recharge Allotment will be reduced upon the occurrence of any of the following events:
- A. If PWD's Board approves any Recharge Project documents (including but not limited to the EIR, engineering reports, groundwater discharge applications and permits, and design documents) indicating that the Recharge Project will use less than 4,000 AFY of the recycled water supplied under this Agreement by the 15th fiscal year after the Effective Date of this Agreement, then the Recharge Allotment will be automatically reduced by the difference between indicated usage and the Recharge Allotment.
 - B. If after five years of operation, the Recharge Project is not using at least 2,000 AFY of the recycled water supplied under this Agreement, then the Recharge Allotment will be automatically reduced by the difference between the maximum annual usage over the 5-year period and 2,000 AFY of the Recharge Allotment.
 - C. If after ten years of operation the Recharge Project is not using at least 4,000 AFY of the recycled water supplied under this Agreement, then the Recharge Allotment will be automatically reduced by the difference between the maximum annual usage over the 10-year period and 4,000 AFY of the Recharge Allotment.
 - D. If PWD's volume of blending water (imported water from the State Water Project) for the Recharge Project limits the amount of recycled water permitted for groundwater recharge in the Recharge Project, the Chief Engineer may, at her sole discretion, extend the deadline(s) of this Section 5.10.
- 5.11. Purple Pipe Milestones. PWD must meet certain milestones toward the completion of the Purple Pipe Project in order to continue to receive its Purple Pipe Allotment. The Purple Pipe milestones are as follows:
- A. Milestone 1 (Award of Phase 2 Contracts): Within three years after the Effective Date of this Agreement, PWD must award all contracts necessary to complete construction of Phase 2 of the Purple Pipe Project and PWD must connect to at least one end user.

- B. Milestone 2 (Operation of Phase 2): Within three years after PWD awards all of the contracts necessary to complete construction of Phase 2 of the Purple Pipe Project, PWD must begin operation of Phase 2 of the Purple Pipe Project by delivering Plant recycled water to an end user.
 - C. Milestone 3 (Award of Phase 3 Contracts): Within 3 years after operation of Phase 2 of the Purple Pipe Project, PWD must award all contracts necessary to complete construction of the next phase of the Purple Pipe Project.
 - D. Milestone 4 (Operation of Phase 3): Within 3 years after completing construction of the next phase of the Purple Pipe Project, PWD must begin operating the next phase of the Purple Pipe Project by delivering recycled water from the Plant to an end user.
- 5.12. Purple Pipe Abandonment and Milestones Deadlines. If any phase of the Purple Pipe Project is abandoned or if PWD fails to meet any of the milestones listed in Section 5.11, then PWD's Purple Pipe Allotment will be automatically reduced, as of the date of the unmet milestone, to the higher of (i) PWD's use in the prior fiscal year, or (ii) the amount of PWD's minimum payment equivalent. The Chief Engineer, at her sole discretion, may extend PWD's Purple Pipe milestones deadlines based on upon proof of a project delay not caused by, or within the control of, PWD.
- 5.13. Purple Pipe Allotment Reduction. The Purple Pipe Allotment will be reduced as follows:
- A. If PWD's Board or any other board having authority over the Purple Pipe Project approves any Purple Pipe Project documents (including but not limited to the EIR, engineering reports, groundwater discharge applications and permits, and design documents) indicating that Purple Pipe Project will use less than 1,325 AFY, then PWD's allotment will be automatically reduced by the difference between the indicated usage and the Purple Pipe Allotment.
 - B. If after ten years of Phase 2 Purple Pipe operation, the Purple Pipe is not delivering at least 1,325 AFY of recycled water, then the Purple Pipe Allotment will automatically be reduced by the difference between the Purple Pipe usage during the prior fiscal year and the Purple Pipe Allotment.
- 5.14. Use Estimate. No later than July 1 of each year, PWD shall submit to the Sanitation District a written use estimate for the following calendar year for planning purposes.
- 5.15. Mandatory Minimum Annual Payment. There is no mandatory minimum volume that PWD must withdraw from the Plant. However, in order to maintain the allotments established under this Agreement, PWD must pay the Sanitation District a minimum payment each year whether or not recycled water is drawn by or delivered to PWD. The minimum payment will be equivalent to the payment that would be due for the following volumes each fiscal year as follows:

Year of Contract	Minimum Payment Equivalent (in AFY)
1	0
2	0
3	100
4	300
5	1200
6	2100
7	2900
8	3250
9	3600
10	3950
11	4325
12	4575
13	4825
14	5075
15+	5325

- A. If PWD's Allotment is reduced below the minimum payment equivalent pursuant to the schedule above, the Allotment volume will become the basis for the minimum payment amount in that year.
- B. The Sanitation District may, at its sole discretion, temporarily reduce the minimum payment amount if PWD's receipt of blending water is reduced to a level that limits the amount of recycled water PWD is permitted to use for groundwater recharge.
- C. If PWD obtains an increased allotment under Section 5.4, then beginning 5 years after the increased allotment is effective, the minimum payment will be increased by an amount equal to 50 percent of the portion of the increased allotment that exceeds the prior minimum payment amount.
- D. If PWD fails to pay the full amount of any minimum payment within 90 days after mailing of the annual invoice, the Sanitation District may, after five business days prior written notice, disconnect facilities at the Point of Connection and may remove all of PWD's facilities located on Sanitation District property, at PWD's cost.

5.16. Disclosure Regarding Limits to Availability.

- A. Excess Supply. The Sanitation District will only make available excess volumes of recycled water from the Plant. As used here, "excess volumes" means any recycled water actually produced by the Plant and not otherwise needed for Sanitation District purposes, environmental uses, or to meet regulatory requirements imposed on the Sanitation District.
- B. Other Contracts. The Sanitation District may enter into contracts to sell recycled water from the Plant to other buyers in volumes that will not cumulatively exceed the Plant's production.

- C. Emergency & Shortage Conditions. Situations of emergency or shortage may reduce the volume of recycled water produced by the Plant.
 - D. Normal Variations in Availability. The volume of water available for draw from the Plant is not necessarily constant and may vary throughout each 24-hour period, throughout each calendar week, and throughout each calendar year depending on weather conditions and seasonal changes in water use.
- 5.17. Release and Waiver Regarding Limits to Availability. PWD acknowledges the limits to availability described above and releases the Sanitation District from any past, current, and future claims arising out of or related to the volume of water furnished under this Agreement.

6. Records and Reports.

- 6.1. Monthly Reports. Within thirty days after the end of the calendar month, PWD shall inform the Sanitation District of the volume of recycled water used at each site during that month. PWD shall transmit any data needed for the Sanitation District's recycled water program and its preparation of reports to be submitted to the Regional Board.
- 6.2. Records and Additional Reporting. PWD shall keep records and make reports in writing to the District as required by any permit in effect at that time, including any requirements of the Sanitation District's Recycled Water Ordinance. Typical reporting parameters include quantity of and uses for recycled water.
- 6.3. Sanitation District's Right of Entry and Examination. The Sanitation District or its representative has the right to enter any of PWD's property and any reuse site at which the Sanitation District's recycled water is used for the purpose of verifying the volume or type of use of recycled water and to verify conformance with all water reuse laws and regulations. In addition, immediately upon request by the Sanitation District, the PWD shall provide full access to any of PWD's meters and to any records that measure, register, record, or reflect recycled water flow, delivery, or distribution volumes.

7. Quality of Recycled Water.

- 7.1. Applicable Water Reclamation Requirements.
 - A. The Sanitation District shall make available to PWD recycled water that conforms to the disinfected tertiary recycled water standard as defined in Section 60301.230 of the July 16, 2015 version of Title 22, Division 4, Chapter 3 of the California Code of Regulations (the "**Requirements**"). The Plant currently uses a nitrification/denitrification treatment process to reduce total nitrogen levels in the recycled water.

7.2. More Stringent Water Reclamation Requirements.

- A. PWD may undertake steps to meet more stringent requirements at its discretion and expense.
- B. If the Regional Board imposes more stringent requirements for use of the recycled water than agreed upon in this Agreement, then PWD may, at its discretion and expense, undertake steps to meet those requirements. If PWD is unwilling to meet the more stringent requirements, then either Party may terminate this Agreement by giving written notice to the other Party.

7.3. Point of Compliance of Water Quality. The point of compliance for determining whether the recycled water provided by the Sanitation District meets the Requirements will be immediately after the final treatment process at the Plant. Recycled water used for surface spreading must meet requirements in Title 22, Division 4, Chapter 3, Article 5.1: Indirect Potable Reuse: Groundwater Replenishment-Surface Application, and requirements identified in the groundwater recharge permit to be issued by the Regional Board.

7.4. Interruption of Service.

- A. PWD acknowledges that factors beyond the control of the Sanitation District could cause operational difficulties or other constraints at the Plant resulting in the production of recycled water that does not meet the Requirements, WRRs, or successor permits. In such case, the Chief Engineer may temporarily limit availability of recycled water from the Plant.
- B. The Sanitation District will not be liable for any costs or damages incurred by PWD arising out of or relating to any interruption in service or limitation of availability due to an inability of the Sanitation District to meet the WRRs or Requirements. PWD acknowledges that a standby water supply may be necessary to prevent any damages that might result from an interruption in the supply of recycled water from the Plant. PWD hereby releases the District from any and all claims and actions arising out of an interruption in service.

8. Price of Recycled Water.

8.1. Pricing Policy. The Sanitation District has adopted a standard recycled water pricing policy.

8.2. Pricing Plan. The annual unit price for each acre-foot of recycled water drawn by PWD under this Agreement will be the greater of (A) or (B), but not to exceed (C) below.

- A. Minimum Recycled Water Cost. 30% of the Sanitation District's unit cost of operation and maintenance of the Plant, as defined in Section 8.4.A, during the fiscal year in which the recycled water was drawn, rounded to the nearest cent; or

- B. Shared Savings. One-half of the result determined by subtracting
- i. PWD's costs associated with the use of recycled water, as defined Section 8.4.B, during the fiscal year divided by the total amount of recycled water, in acre-feet, drawn from the Plant during the fiscal year, from
 - ii. the water rate ("**Water Rate**"), as defined in Section 8.4.C
- C. Maximum Recycled Water Cost. 100% of the Sanitation District's unit cost of operation and maintenance ("**O&M**") of the Plant, as defined in Section 8.4.A, during the fiscal year in which the recycled water was drawn rounded to the nearest cent.
- 8.3. Carryover. In the event that the total price determined by the calculation in Section 8.2.B above is less than the total price determined by Section 8.2.A, then the difference between Sections 8.2.B and 8.2.A. shall be carried over and subtracted in the price determination of Section 8.2.B., in the next fiscal year.
- 8.4. Method of Price Determination. A sample determination of the price of recycled water is attached as Exhibit A. The numbers contained in Exhibit A are for illustrative purposes only and are not to be construed as representing actual values.
- A. Sanitation District O&M Costs. The Sanitation District's unit cost of O&M of the Plant will be determined on the basis of the Sanitation District's accounting and other regularly maintained records and information. It is calculated on a fiscal year basis by taking the total O&M costs of the System, and dividing it by the number of acre-feet of treated effluent discharged from the Plant.
- B. PWD Use Costs. PWD's costs associated with the use of recycled water means all costs incurred by PWD, properly allowable under the Sanitation District's accounting principles, attributable to PWD's recycled water distribution system, including but not limited to: capital costs incurred subsequent to the date of this contract (excluding depreciation); right of way acquisition costs; reasonable administration and special program costs related to the use of recycled water; pump station construction; reservoir and pipeline replacement; operation and maintenance costs, including those incurred by the Sanitation District and charged to PWD; and energy costs, and reduced or offset by all economic benefits realized through low interest loans, investment earnings on debt service funds, rebates, grants, and other subsidies obtained by PWD from external sources to defray the cost of providing recycled water or constructing reclamation facilities. PWD shall supply this information to the Sanitation District in writing within 45 days after the end of each Sanitation District fiscal year.
- C. Water Rate. The Water Rate means 90% multiplied by the lowest priced water that is (1) suitable for the purposes described in this Agreement and (2) available in quantities commensurate with those provided for under this Agreement.

- 8.5. Right to Audit Other Party's Books. The Sanitation District may audit PWD's books, accounts and records during normal business hours upon at least 48 hours prior notice to PWD. PWD may audit the relevant books, accounts and records of the Sanitation District during normal business hours upon at least 48 hours prior notice to the Sanitation District.

9. **Invoice and Payment.**

- 9.1. Quarterly Estimated Invoices. Within 60 days after the end of each of the first three quarters of each fiscal year, the Sanitation District will invoice PWD for the estimated price of the recycled water drawn by PWD during that period. The estimated price included in the Quarterly Invoices will consist of two amounts:

- A. Recycled Water Costs. The amount of recycled water delivered during each quarter multiplied by the unit cost of recycled water charged by the Sanitation District to PWD during the preceding fiscal year.
- B. Operation and Maintenance Costs. One-fourth of the previous fiscal year costs associated with the operation and maintenance of the recycled water delivery system incurred by the Sanitation District and attributable to PWD.

- 9.2. Annual Reconciliation Invoice. Within 90 days after the close of each fiscal year, the Sanitation District will provide a reconciliation invoice to PWD that will include:

- A. Recycled Water Costs. The total amount of recycled water delivered during the current fiscal year multiplied by the unit price of recycled water as specified under Section 8.4.
- B. Operation and Maintenance Costs. The total amount associated with the operation and maintenance of the recycled water delivery system incurred by the Sanitation District and attributable to PWD during the current fiscal year.

The Annual Reconciliation Invoice shall add the total amounts calculated from Sections 9.2.A and 9.2.B and subtract the totals of that fiscal year's three Quarterly Estimated Invoices as calculated from Section 9.1.

- 9.3. Payment. PWD shall pay the full amount of each invoice within 45 days after the date of the invoice from the Sanitation District.
- 9.4. Failure to Timely Pay. Interest will accrue at the rate of 10% per year for all invoices that remain unpaid after 45 days. If PWD fails to pay the full amount of any invoice within 60 days after mailing of that invoice, the Chief Engineer may, within five business days following written notice, disconnect PWD's facilities at the point of connection. This remedy is in addition to all other remedies provided by law.

10. Distribution and Delivery.

- 10.1. PWD may resell some or all of the recycled water purchased under this Agreement to a third party user within Los Angeles County.
- 10.2. The Authority may act as an operator of the Purple Pipe facilities. PWD shall enter into an agreement or agreements with the Authority that address the operations and management of the recycled water distribution facilities and administration of the direct reuse program. PWD shall provide the Sanitation District with the opportunity to review and comment on the agreement(s) prior to execution.

11. Use of Recycled Water.

- 11.1. Legal and Regulatory Responsibility. PWD shall bear all legal and regulatory responsibility associated with the use of the recycled water it draws from the Plant. PWD bears all responsibility from and after the Point of Connection.
- 11.2. Permissible Uses. PWD acknowledges that recycled water has limited uses. PWD shall ensure that the recycled water drawn from the Plant is only used for those uses or purposes that are legally permissible.
- 11.3. Compliance with District Regulations. PWD shall comply with, and shall cause all reuse sites to which it or any other entity distributes or delivers recycled water obtained under this Agreement to comply with appropriate state and regulatory criteria and, the Regulations, and the Recycled Water Ordinance.
- 11.4. Recharge Project Compliance.
 - A. PWD shall apply for and comply with the permits required to use recycled water for groundwater recharge at the Recharge Project.
 - B. PWD shall develop an operations plan for use of recycled water at the Recharge Project to ensure compliance with all requirements. PWD shall submit to the Sanitation District the operations plan for review.
 - C. The Sanitation District shall have the right to review and approve all engineering studies, permit applications, and regulatory correspondence regarding the use of recycled water produced by the Sanitation District.
- 11.5. Reuse Sites.
 - A. PWD must submit an Application for Recycled Water Use to the Sanitation District for any new reuse site that proposes to use recycled water from the Plant.
 - B. PWD shall periodically inspect the reuse sites, as required by the appropriate regulatory agency. In addition, under Water Code Section 13523.1(b)(5) and the Regulations, PWD shall ensure that the Sanitation District or its representative(s)

shall be permitted to enter upon any reuse site at any time for purposes of verifying compliance with reuse requirements.

- C. PWD shall provide a copy of the effective Permits, the Recycled Water Ordinance, and Regulations to the site supervisors of the reuse sites.

11.6. Noncompliance. In the event that reuse does not comply with applicable rules and regulations, the Sanitation District shall not bear any legal or financial responsibility for enforcement actions or remediation efforts. PWD shall promptly notify the Sanitation District of any pending or final enforcement activities involving non-compliant use of recycled water.

11.7. Spills. PWD shall notify the Sanitation District of any spills of recycled water in accordance with criteria established in the Regulations and the Recycled Water Ordinance.

12. Duplication of Service

12.1. PWD acknowledges that the Sanitation District currently has contracts with Waterworks, Edwards Air Force Base, and the Cities of Palmdale and Lancaster for provision of recycled water. The Sanitation District shall not sell any recycled water from the Plant on a retail basis within PWD's service area. Nothing in this Agreement restricts the Sanitation District from making recycled water available to its own facilities, or to third parties that are authorized to sell or otherwise transfer recycled water within the Antelope Valley region either directly or by contract.

12.2. PWD acknowledges that it has reviewed the Service Duplication Law of the State of California embodied in Chapter 8.5 of Part 1, Division 1 of the Public Utilities Code ([Section 1501](#), et seq.) and believes that the rights and responsibilities conferred by those statutes do not pertain to this Agreement. PWD recognizes, however, that the Sanitation District would be reluctant to enter into this Agreement without PWD's waiver and indemnity set forth in Section 12.3.

12.3. PWD waives and relinquishes any rights it may have against the Sanitation District pursuant to the Service Duplication Law and further agrees to indemnify, defend, and hold harmless the Sanitation District, its officers, agents and employees, from and against any and all claims, liabilities, losses, costs, damages, actions, causes of action (whether legal, equitable or administrative), fees of attorneys, and other expenses which the Sanitation District may sustain or incur by reason of or in consequence of the assertion by others, whether successful or not, of rights expressed in the Service Duplication Laws of the State of California, Chapter 8.5 of Part 1, Division 1 of the Public Utilities Code ([Section 1501](#), et seq.) or similar laws, with regard to the sale of recycled water to PWD under this Agreement. The Sanitation District shall promptly notify PWD in writing of any such assertion of rights and is granted the right to direct or otherwise participate in any defense of such claim. The foregoing indemnity extends to the Service Duplication Law and any similar law which may be enacted after the date of this Agreement, to any amendments to the Service Duplication Law

enacted after the date of this Agreement, and to any recodification of the Service Duplication Law, irrespective of form, which may subject the Sanitation District to liability to any privately owned public utility or any other person, association, corporation, or political subdivision because of the sale of recycled water to PWD.

13. **Indemnification.**

13.1. **General Indemnities.**

- A. PWD shall indemnify the Sanitation District, and its officers, directors, agents, and employees (“**Sanitation District & Affiliates**”) from and against any and all claims, actions, suits, causes of action (whether legal, equitable, or administrative), liabilities, losses, costs, demands, damages, attorneys’ fees and other expenses (together “**Claims**”), which arise out of or are otherwise related to (i) PWD’s or the Authority’s use of recycled water from the Sanitation District that meets the quality standards contained in the Permits, as described in Section 7 of this Agreement, (ii) any claims for interruption of service to PWD or the Authority as provided in Section 7.4 of this Agreement, or (iii) PWD facilities (including connection points) located on Sanitation District property. This indemnity includes, but is not limited to, causes of action based on breach of warranty, dangerous condition of public property, inverse condemnation, trespass, and nuisance.
- B. PWD acknowledges that the Sanitation District currently has recycled water contracts with Waterworks, Edwards Air Force Base, and the Cities of Palmdale and Lancaster. PWD acknowledges that its allotment under this Agreement results from the termination of an unused allotment to Waterworks that may be allocated to the City of Palmdale. The City of Palmdale has indicated that it intends to transfer the majority of its proposed allotment of recycled water produced at the Plant to the Authority. The Parties also understand that the quantity of recycled water subject to this Agreement will be subtracted from Palmdale’s proposed allotment. PWD hereby indemnifies and agrees to defend the Sanitation District & Affiliates from any and all Claims that arise out of or relate to any claim by the Authority, Waterworks, the City of Palmdale, the City of Lancaster, Edwards Air Force Base, or any other party with respect to relative allotments of recycled water from the Plant.

- 13.2. **Support of Sanitation District with Regional Board.** PWD understands and agrees that any opposition by PWD, acting independently or as a member of any joint powers organization (including the Authority), to the Sanitation District’s efforts of obtaining or complying with the Permits or any other Regional Board request, including but not limiting to any waste discharge requirements, water recycling requirements, monitoring and reporting programs or cleanup and/or abatement orders is a material breach of this Agreement that entitles the Sanitation District to immediately terminate this Agreement and obtain all costs (including attorneys fees) from PWD.

13.3. Regulatory Fines Indemnity.

- A. PWD acknowledges that the Sanitation District, as the entity holding the Permits for the Plant, may be subject to monetary fines or penalties imposed by the Regional Board for violations of the Permits.
- B. If the Sanitation District becomes the responsible party in an action resulting in a fine or penalty, the Sanitation District shall be financially responsible for the payment of that fine or penalty.
- C. If after meeting and conferring with PWD the Chief Engineer finds upon substantial evidence that PWD or any user of recycled water received under this Agreement are responsible for any action resulting in a fine or penalty, then PWD shall reimburse the Sanitation District for the total amount within 5 business days after receiving notice of any such fine or penalty.
- D. If the Chief Engineer finds that a third-party purchaser of recycled water from PWD is responsible for any action resulting in such a fine or penalty, PWD shall join with the Sanitation District in any legal or other effort to recover for the Sanitation District all or a part of the fine or penalty imposed against the Sanitation District by the Regional Board for such action.

14. Option Period.

- 14.1. The Sanitation District grants to PWD a one-time option to extend the duration of this Agreement for a period of up to 20 years (the “**Extended Period**”) from the end of its original duration (the “**Expiration Date**”), as set forth in Section 1 above. To exercise this option, PWD must not be in default of any of the provisions of this Agreement and must notify the Chief Engineer of its intent to exercise this option not earlier than 2 years nor later than 1 year prior to the Expiration Date.
- 14.2. If PWD exercises its option to extend the duration of this Agreement, PWD will be subject to an immediate adjustment of its Allotment, not to exceed the average of its prior 5 years usage. PWD may maintain its adjusted allotment for the first 3 years of the Extended Period. The price of the recycled water charged to PWD shall conform to the Sanitation District’s pricing policy in effect at the time PWD exercises its option. Any and all of the remaining terms and conditions of this Agreement will be subject to renegotiation and the consent of the Parties. The negotiations must be conducted reasonably and in good faith provided, however, that if the Parties fail to arrive at mutually agreed-upon terms by the Expiration Date, this option will expire.

15. Assignments. Except as stated in Section 5.2, PWD may not transfer or assign any of its rights or duties under this Agreement.

16. Notices. All notices, correspondence, reports, or other written documents exchanged between the Parties under this Agreement must be addressed to the Sanitation District or PWD as set forth below or as the Sanitation District or PWD may later designate in writing,

and shall be sent through the United States mail, nationally-recognized overnight carrier, or personal delivery, together with a courtesy copy by email.

16.1. TO DISTRICT

If by U.S. Mail:

Chief Engineer and General Manager
County Sanitation Districts of Los Angeles County
Post Office Box 4998
Whittier, CA 90607-4998
Attn: Technical Services Department

If by Overnight Carrier or Personal Delivery

Chief Engineer and General Manager
County Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601
Attn: Technical Services Department

Email: MTremblay@lacsds.org

16.2. TO PWD

General Manager
Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550

Email: dlamoreaux@palmdalewater.org

17. **General Provisions.**

17.1. Third Party Beneficiary. The Authority is an intended third party beneficiary of the provisions of this Agreement relating to the Purple Pipe Project.

17.2. Integration. This Agreement, including its Exhibits, supersedes any and all other agreements, either oral or in writing, between the Parties with respect to PWD's purchase and use of the Sanitation District's recycled water.

17.3. Modification. Any modification of the Agreement will be effective only if it is in writing and signed by all both Parties.

17.4. Interpretation. Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of its provisions. This Agreement has been drafted through a joint effort of the Parties and

their counsel and therefore shall not be construed against either of the Parties, but instead in accordance with its fair meaning.

- 17.5. Choice of Law and Venue. This Agreement is governed by California law. Any legal action arising out of this Agreement must be brought in the Los Angeles County Superior Court, Central Division.
- 17.6. Counterparts. This Agreement will be executed in duplicate counterpart originals, one for each Party, and each duplicate original will be deemed to be an original, but all of which will constitute one and the same agreement.
- 17.7. Chief Engineer's Authority. The Chief Engineer is delegated the authority to take all actions on behalf of the Sanitation District in connection with any approvals, consents, or actions required of or by the Sanitation District under this Agreement and to approve and execute minor amendments to the terms of this Agreement.

The Parties are executing this Agreement to be effective as of the Effective Date.

PALMDALE WATER DISTRICT

COUNTY SANITATION DISTRICT
NO. 20 OF LOS ANGELES COUNTY

By: _____

President,
Palmdale Water District

By: _____

Chairperson, Board of Directors

ATTEST

ATTEST

Secretary of the Board of Directors

Secretary to the Board of Directors

APPROVED AS TO FORM

APPROVED AS TO FORM:
Lewis Brisbois Bisgaard & Smith, LLP

By: _____

Palmdale Water District Counsel

By: _____

District Counsel

Exhibit A – Sample Recycled Water Price Calculations

Assumptions:

Flow-weighted average of O&M of Palmdale WRP = \$500.00/AF
PWD's Recycled Water System Costs (RWSC) =\$100,000.00
PWD's Alternative Water Cost = \$400.00/AF
PWD's Recycled Water Use = 100.00 AF
Previous Fiscal Year Carry-Over (PFYCO) =\$0

Calculations:

(A) Minimum Recycled Water Unit Price:

30% of flow-weighted O&M of Palmdale WRP = \$150.00/AF

(B) Shared Savings Calculation:

Water Rate (90% of Alternative Water Cost) = \$360.00/AF

$$\frac{1}{2} \times \left(\text{Water Rate} - \frac{RWSC + PFYCO}{\text{Recycled Water Use}} \right) =$$

$$\frac{1}{2} \times \left(\$360.00 / AF - \frac{\$100,000.00 + \$0}{100.00 AF} \right) = -\$320.00/AF$$

(C) Maximum Recycled Water Unit Price:

100% of flow-weighted O&M of Palmdale WRP = \$500.00/AF

Results:

Option A is the controlling value because it is greater than the Shared Savings calculation (Option B) and does not exceed the maximum price (Option C).

Annual Unit Price of Recycled Water = \$150.00/AF

Note:

In the following year, carryover cost is included because the Shared Savings calculation (Option B) is less than the minimum recycled water price (Option A).

PFYCO for following year =

(Minimum Recycled Water Rate – Shared Savings Rate) × (Recycled Water Use) =

$$[\$150.00/AF - (-\$320.00/AF)] \times (100AF) = \$47,000.00$$

Exhibit B – Sanitation District Recycled Water Ordinance

**ORDINANCE PROVIDING FOR
THE ESTABLISHMENT AND ENFORCEMENT OF REGULATIONS
PURSUANT TO WATER RECYCLING REQUIREMENTS FOR
RECYCLED WATER USERS**

The Board of Directors of County Sanitation District No. 20 of Los Angeles County (hereinafter "District") ordains as follows:

1. AUTHORITY

This Ordinance is enacted pursuant to authority contained in the County Sanitation District Act, California Health and Safety Code Sections 4700 *et seq.*, and exercises authority conferred by law including but not limited to Division 7, Chapter 7, Article 4, Sections 13520 *et seq.* of the Water Code.

2. SHORT TITLE

This Ordinance shall be known as the **District No. 20 Recycled Water Ordinance** and may be cited as such.

3. PURPOSE

The purpose of this Ordinance is to provide for the establishment and enforcement of regulations pertaining to the administration of waste discharge requirements ("WDRs") issued by the California Regional Water Quality Control Board, Lahontan Region ("Regional Board"), pursuant to Water Code Section 13263, water reclamation requirements ("WRRs") issued pursuant to Section 13523, or a master reclamation permit ("Master Permit") issued pursuant to Section 13523.1. This Ordinance will govern the use of recycled water in accordance with the Water Recycling Criteria established by the California Department of Health Services ("DHS") pursuant to Water Code Section 13521, and codified in Title 22, Division 4, Chapter 3 of the California Code of Regulations.

4. FINDINGS AND DETERMINATIONS

For over forty years, the County Sanitation Districts of Los Angeles County have owned and operated wastewater treatment plants capable of producing water that meets all requirements for recycled water, including but not limited to regulations and other directives issued by the DHS and the Regional Board.

No person may recycle water or use recycled water until a California Regional Water Quality Control Board either establishes WDRs, WRRs, or Master Permits (collectively, "Permits") or determines that no such Permits are necessary.¹ As the producer of recycled water, the District oversees the production and use of recycled water pursuant to Permits issued by the Regional Board.

¹ California Water Code § 13524.

5. APPLICATION

This Ordinance shall apply to any and all Users to whom the District distributes recycled water, either directly or through an intermediate party, including Purveyors that act as such intermediate parties in delivering recycled water to Users.

6. DEFINITIONS

For purposes of this Ordinance, the following definitions shall apply to the following terms:

- a) **"Authorized Recycled Water Use Site"** is a site authorized for use of recycled water; the uses of recycled water and the site location must comply with Permits as issued by the Regional Board.
- b) **"Chief Engineer"** is the Chief Engineer and General Manager of the District.
- c) **"Master Reclamation Permit"** contains requirements established by the Regional Board pursuant to Water Code Section 13523.1.
- d) **"Person"** is any individual, partnership, corporation, governmental subdivision or unit of a governmental subdivision, or public or private organization or entity of any character.
- e) **"Purveyor"** is any public, private, investor-owned, or other water utility that is legally permitted to distribute water and that obtains recycled water from the District for distribution to Users.
- f) **"Recycled water"** is water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur, and is therefore considered a valuable resource.
- g) **"Regulations"** are requirements established by the Chief Engineer that govern the design and construction of recycled water use facilities and the use of recycled water, in accordance with the Uniform Statewide Reclamation Criteria. These may also be called the District's *"Requirements for Recycled Water Users."*
- h) **"State Water Resources Control Board"** is an agency of the state of California created by the Legislature and exercising its powers pursuant to the Porter-Cologne Water Quality Control Act, Water Code Section 13000 *et seq.*
- i) **"User"** is any person to whom the District distributes recycled water under the Permits issued to the District by the Regional Board, including end users to whom recycled water is conveyed through an intermediate party. User does not include persons who have been independently issued Permits from the Regional Board.
- j) **"User Agreement"** is a contractual agreement between the User and/or Purveyor and the District that establishes the conditions for recycled water service and use.
- k) **"Waste Discharge Requirements"** are requirements that are established by the Regional Board pursuant to Water Code Section 13263.
- l) **"Water Recycling Criteria"** are the criteria established by the DHS generally dealing with the levels of constituents of recycled water, and the means for assurance of reliability under the design concept, which will result in safe recycled water from the standpoint of public health. The criteria are established pursuant to Water Code Section 13521, and are contained in the California Code of Regulations, Title 22, Division 4, Chapter 3; also referred to as the "Uniform Statewide Reclamation Criteria."
- m) **"Water Recycling Requirements"** are requirements that are established by the Regional Board pursuant to Water Code section 13523.

7. ADMINISTRATION

The District shall administer this Ordinance so as to comply with the terms and conditions of Permits as issued by the Regional Board.

8. REQUIREMENTS

A. A User and/or Purveyor who receives the District's recycled water must comply with the terms of this Ordinance and with the following requirements:

- 1) Water Recycling Criteria, as established by the California Department of Health Services, Title 22, Division 4, Chapter 3 of the California Code of Regulations;
- 2) Requirements, rules, regulations, and/or restrictions established by the California State Water Resources Control Board;
- 3) Requirements, rules, regulations, and/or restrictions established by the Regional Board.
- 4) Permits issued by the Regional Board, which are incorporated herein and made a part hereof, to the extent that they are applicable to persons subject to this Ordinance;
- 5) Requirements, rules, regulations, and/or restrictions, pertaining to the quality of recycled water, adopted by any agency maintaining jurisdiction over any person subject to this Ordinance;
- 6) Regulations adopted by the Chief Engineer pursuant to Section 9 of this Ordinance.

A User and/or Purveyor must keep apprised of any changes to the foregoing requirements. A User and/or Purveyor must conform to any applicable changes to the requirements; a violation thereof is the User's and/or Purveyor's sole responsibility. A violation of any of the foregoing requirements will constitute a violation of this Ordinance.

B. A person seeking to operate a proposed Authorized Recycled Water Use Site ("Authorized Site"), and directly receive the District's recycled water, must comply with the following:

- 1) The person must file an application therefore with the District prior to using the recycled water. Persons who have already executed a User Agreement with the District are exempt from this requirement until such time as the Agreement is amended or revised.
- 2) The person must execute a User Agreement, which includes the District's terms and conditions for use of recycled water at the Authorized Site. Any violation of a User Agreement shall be a violation of this Ordinance and punishable as such. Any Person that has been a User for more than one year prior to the effective date of this Ordinance, and has otherwise been in conformance with all legal requirements and directives of the District, shall be exempt from this subparagraph (2) for a period of one year from said effective date.

A person seeking to operate a proposed Authorized Site, and receive the District's recycled water through a Purveyor, must file an application with the Purveyor prior to any delivery of recycled water. Such application shall not be effective until it has been approved by the District.

9. ENFORCEMENT

The Chief Engineer is granted authority to establish Regulations governing the use of recycled water as necessary, which shall be in accordance with existing law.

The Chief Engineer shall administer, implement, and enforce the provisions of this Ordinance. Any powers granted to or duties imposed upon the Chief Engineer may be delegated to persons acting in the beneficial interest of or in the employ of the District.

10. VIOLATION


A. Upon a written determination of the Chief Engineer that a violation of this Ordinance has occurred, such action shall constitute a basis for:

- 1) termination of any User Agreement
- 2) immediate cessation of recycled water delivery

B. The Chief Engineer shall adopt notice and hearing procedures to implement this section, which shall be consistent with the rights afforded by due process.

11. **VALIDITY**

If any part, section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is held invalid or unconstitutional for any reason by any court, that decision does not affect the validity or constitutionality of the remainder of this Ordinance. The Board of Directors declares that it would have adopted each provision of this Ordinance irrespective of the validity of any other provision.



Chairperson, Board of Directors
County Sanitation District
No. 20 of Los Angeles County

ATTEST:



Clerk, Board of Directors
County Sanitation District
No. 20 of Los Angeles County


PASSED AND ADOPTED by the Board of Directors of County Sanitation District No. 20 of Los Angeles County on February 28, 2007, by the following vote:

AYES: Two (2) Directors Ledford, and Yaroslavsky

NOES: None

ABSTAIN: None

ABSENT: One (1) Director Dispenza



Secretary of the Board of Directors
County Sanitation District No. 20
of Los Angeles County

Exhibit C – Sanitation District Requirements for Recycled Water Users

**Requirements for Recycled Water Users
County Sanitation Districts of Los Angeles County
District Nos. 14 and 20**

1. Introduction

These Requirements for Recycled Water Users (Requirements) establish regulations pursuant to California Water Code (Water Code) section 13523.1(b), and permits issued to the County Sanitation Districts of Los Angeles County (Districts) by the California Regional Water Quality Control Board, Lahontan Region (LRWQCB). These permits include waste discharge requirements (WDRs) issued pursuant to Water Code section 13263, water reclamation requirements (WRRs) issued pursuant to Water Code section 13523, or a master reclamation permit (Master Permit) issued pursuant to Water Code section 13523.1. The Requirements are in conformance with ordinances adopted by County Sanitation District No. 14 of Los Angeles County and by County Sanitation District No. 20 of Los Angeles County (Ordinances).

2. Background

Water Code section 13523.1(a) authorizes the issuance of Master Permits to suppliers or distributors, or both, of recycled water in lieu of issuing individual water reclamation requirements to each recycled water user. Water Code section 13523.1(b) sets forth the requirements for Master Permits issued by the Regional Water Quality Control Boards (RWQCBs), including a condition that the permittee establish and enforce rules or regulations for recycled water users governing the design and construction of recycled water use facilities and the use of recycled water, in accordance with the uniform Statewide Reclamation Criteria established pursuant to Water Code section 13521.

A Master Permit has been adopted by the LRWQCB for the Lancaster Water Reclamation Plant (WRP). Should the LRWQCB issue individual WDRs or WRRs to the Districts for the use of tertiary recycled water for non-potable reuse applications from the Lancaster WRP or Palmdale WRP, it is the Districts' intent that the Requirements established herein will apply to those uses. These Requirements may be updated, as necessary, to comply with revisions to this permit or applicable laws and regulations.

3. Findings

The Requirements are in conformance with the following:

- Provisions established by the WDRs, WRRs, or Master Permits issued by the LRWQCB to the Districts.
- Applicable portions of the Water Code, including Water Code section 13523.1.
- Applicable portions of the Health and Safety Code.
- California Code of Regulations (CCR), Title 22, Division 4, Chapter 3, Uniform Statewide Reclamation Criteria.
- CCR, Title 17, Division 1, Chapter 5, Subchapter 1, Group 4, Article 1 & 2.
- Regulations established by the County of Los Angeles Department of Public Health (LACDPH) for the use of recycled water.

The Requirements are consistent with the following:

- The Guidelines for the *Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water*, California State Department of Public Health (CDPH).

- Any measures that are deemed necessary for protection of public health, such as the American Water Works Association (AWWA) California/Nevada section, *Guidelines for the Distribution of Non-Potable Water* and *Guidelines for the On-Site Retrofit of Facilities Using Disinfected Tertiary Recycled Water* or alternate measures that are acceptable to CDPH.
- Relevant user manuals such as the Los Angeles County Recycled Water Advisory Committee's, 2005, *Recycled Water User Manual*.
- Relevant guidance issued by LACDPH for the use of recycled water.

4. Definitions that Apply to these Requirements

- 4.1. Authorized Recycled Water Use Site (Site) is a site authorized for use of recycled water; the uses of recycled water and the site location must comply with Permits as issued by the LRWQCB to the Districts.
- 4.2. Direct User is any person to whom the Districts directly distribute recycled water under the Permits issued to the Districts by the LRWQCB.
- 4.3. Incidental Runoff is any small amount of recycled water that leaves the Site as a result of over-spray or leakage from sprinklers, over watering, breaks in lines, or overflow of impoundments that contain recycled water during storms.
- 4.4. Master Reclamation Permit (Master Permit) contains requirements established by the LRWQCB for the Districts pursuant to Water Code section 13523.1.
- 4.5. Permit means any LWRQCB issued WDRs, WRRs, or Master Permit.
- 4.6. Person is any individual, partnership, corporation, governmental subdivision or unit of a governmental subdivision, or public or private organization or entity of any character.
- 4.7. Purveyor is any public, private, investor-owned, or other water utility that is legally permitted to distribute water and that obtains recycled water from the Districts for distribution to Users.
- 4.8. Recycled water is water produced by a municipal water reclamation facility that is suitable for a beneficial use.
- 4.9. User is any person to whom the Districts distribute recycled water under the Permits issued to the Districts by the LRWQCB, including end users to whom recycled water is conveyed through an intermediate party. User does not include persons who have been independently issued Permits by the LRWQCB.
- 4.10. User Agreement is a contractual agreement between the User and/or Purveyor and the Districts that establishes the conditions for recycled water service and use.
- 4.11. Waste Discharge Requirements (WDRs) are requirements established for the Districts by the LRWQCB pursuant to Water Code section 13263.
- 4.12. Water Recycling Criteria are the criteria established by the CDPH generally dealing with the levels of constituents in recycled water and the means for assurance of reliability under the design concept, which will result in safe recycled water from the standpoint of public health. The criteria are established pursuant to Water Code Section 13521, and are contained in the CCR, Title 22, Division 4, Chapter 3; also referred to as the "Uniform Statewide Reclamation Criteria."
- 4.13. Water Recycling Requirements (WRRs) are requirements established for the Districts by the LRWQCB pursuant to Water Code section 13523.

5. Requirements for Recycled Water Users

5.1 Effective Date

The effective date of the Requirements is July 1, 2008.

5.2 Applicability

- 5.2.1 Unless otherwise stated, these Requirements shall apply to any and all Users to whom the Districts distribute tertiary recycled water, either directly or through an intermediate party. These Requirements shall also apply to Purveyors that act as intermediate parties in delivering recycled water to Users. User does not include persons who have been independently issued Permits by the LRWQCB.
- 5.2.2 These Requirements do not apply to the Districts, when the Districts are both the Purveyor and/or the User, receiving WDRs or WRRs issued by the LRWQCB for the use of tertiary recycled water.

5.3 General Requirements

Use of recycled water must comply with all applicable state laws, regulations, Districts' Permits, and any amendments thereto, the Ordinances, and these Requirements.

5.4 General Prohibitions

- 5.4.1 Use of recycled water for any purposes other than those explicitly approved in the effective User Agreement is strictly prohibited.
- 5.4.2 The User shall insure that the treatment, storage, distribution or use of recycled water shall not create a nuisance as defined in Water Code section 13050(m).
- 5.4.3 The User shall not discharge recycled water from treatment facilities, irrigation holding tanks, storage ponds, or other containment, other than for permitted reuse, except in accordance with other LRWQCB issued Permits, contingency plans authorized by the LRWQCB or for an approved discharge to a municipal sewage treatment system.

5.5 Process to Obtain Permission to Use Recycled Water

- 5.5.1 Except as provided by the Ordinances, any Direct User or Purveyor who wishes to receive recycled water produced by the Districts must enter into a User Agreement with District No. 14 or No. 20 depending on the location of the reuse project before the use of recycled water can begin. The User Agreement shall include the Districts' terms and conditions for the use of recycled water.
- 5.5.2 Any Direct User, or Purveyor with a User, who intends to utilize recycled water produced by the Districts for an authorized use at a Site must file a User Application Form (Application) with the Districts and receive approval in writing from the Districts before the use of recycled water can begin for that use and Site.
- 5.5.3 The Application filed by the Direct User or Purveyor shall include:
 - .3.1. A detailed description of the proposed Site with:
 - (a) A map showing the specific boundaries of the proposed Site;
 - (b) The person or persons responsible for operation and maintenance of the site (O&M Staff), including the person designated as the Site Supervisor and contact information;

- (c) Evidence that the O&M Staff and Site Supervisor have received appropriate training from the Districts or an equivalent training program or the date by which training will occur prior to delivery of recycled water such that the Site is operated and maintained in compliance with applicable laws and regulations, the Districts' Permits, and these Requirements;
 - (d) The specific use to be made of the recycled water at each Site.
- .3.2. Design plans and a description of best management practices that show that the quality of waters of the State will be protected (see Section 5).
- .3.3. Plans and specifications describing:
 - (a) Proposed piping systems to be used;
 - (b) Pipe locations for both recycled and potable systems;
 - (c) Type and location of the outlets and plumbing fixtures that will be accessible to the public;
 - (d) The methods and devices to be used to prevent backflow of recycled water into the potable water system.
- .3.4. The Recycled Water System Operations Manual or the date by which a Recycled Water System Operations Manual will be submitted prior to the delivery of recycled water.
- .3.5. Emergency Cross-Connection Response Plan in accordance with the guidelines established by LACDPH or the date by which the Emergency Cross-Connection Response Plan will be submitted prior to delivery of recycled water.
- 5.5.4 Any User or Purveyor who wishes to receive recycled water produced by the Districts must follow the process presented in Tables 1 and 2 that shows the various agencies involved in the process, documents that must be completed, how documents are routed, etc. Table 1 outlines the process for Direct Users or Purveyors. Table 2 outlines the process for Users receiving water from Purveyors

5.6 Operational Requirements and Best Management Practices

- 5.6.1 Each User shall designate a Site Supervisor who is responsible for the recycled water system at Site(s) under the User's control. Specific responsibilities of the Site Supervisor include the proper installation, operation and maintenance of the recycled water system; compliance with the Districts' Permits, applicable laws and regulations, local health department guidelines, and these Requirements; prevention of potential hazards; coordination with the cross-connection control program in accordance with CCR, Title 17 and LACDPH or local health department guidelines; preservation of the recycled water system in "as-built" form.
- 5.6.2 The User's Site Supervisor and O&M staff shall receive appropriate training to assure proper operation of the recycled water facilities, worker protection, and compliance with all applicable laws and regulations, the Districts' Permits, and these Requirements.
- 5.6.3 The Site Supervisor shall instruct any person at the Site involved with the use of recycled water on its proper use and precautions.
- 5.6.4 All recycled water facilities and control systems shall be maintained in good working order and operated as efficiently as possible to achieve compliance with all applicable laws and regulations, the Districts' Permits, and these Requirements.

- 5.6.5 Except as allowed under CCR, Title 17, section 7604, no physical connection shall be made nor shall a connection be allowed to exist between any recycled water system and potable water system.
- 5.6.6 Cross-connection test shall be performed as necessary to ensure the absolute separation of the recycled water system and potable water system, in accordance with the requirements of LACDPH or local health department.
- .6.1. A cross-connection test shall be performed following any significant modifications to the recycled water system or potable water system, construction of new buildings, or any activity that may impact, or has impacted these systems.
 - .6.2. An initial cross-connection test shall be performed to determine if there are any unknown connections between potable piping and existing piping to be used for recycled water prior to construction or retrofit work.
 - .6.3. Prior to connection with the recycled water system, a final cross-connection test shall be performed to verify that construction or retrofit work was performed correctly.
 - .6.4. Cross-connection testing shall be performed by a specialist who has been certified by AWWA or a group with equivalent certification requirements.
- 5.6.7 The potable water supply shall not be used as a backup or supplemental source of water for a recycled water system unless the connection between the two systems is protected by an air gap separation which complies with the requirements of CCR, Title 17, section 7602, Subdivision (a) and CCR, Title 17, section 7603, Subdivision (a), and that such connection has been approved by CDPH and/or its delegated local agency.
- 5.6.8 Any backflow prevention device installed to protect the potable water system shall be annually inspected and maintained in accordance with CCR, Title 17, section 7605.
- .8.1. Backflow inspections shall be conducted by a person who has demonstrated competency in testing to the User, Purveyor, and/or LACDPH or local health department.
- 5.6.9 Hose bibs shall not be used in the recycled water system, except in the recycled water system for Sites for which there is restricted public access. Quick couplers that are different from that used on the potable water system may be used.
- 5.6.10 All recycled water piping and appurtenances in new installations and appurtenances in retrofit installations shall be colored purple or distinctively marked with purple tape in accordance with Health and Safety Code section 116815 and LACDPH or local health department requirements.
- 5.6.11 All sites shall be designed and operated to prevent direct human consumption of recycled water, or use of recycled water for processing of food or drink intended for human consumption.
- .11.1. Where recycled water could potentially be accessed for human consumption, conspicuous signs shall be posted that include the following wording: "RECYCLED WATER – DO NOT DRINK."
 - .11.2. The prescribed wording included on the sign(s) shall also be translated into Spanish and other appropriate languages.
 - .11.3. Each sign shall display an international symbol similar to that shown in CCR, Title 22, section 60310, subdivision (g), Figure 60310-A.
 - .11.4. The sign(s) shall be of a size easily readable by the public; no less than 4 inches high by 8 inches wide.

- 5.6.12 Irrigation with disinfected tertiary recycled water shall not take place within 50 feet of any domestic water supply well.
- 5.6.13 Irrigation with disinfected tertiary recycled water shall not take place within 50 feet of any uncovered reservoir or stream currently used as a source of domestic water.
- 5.6.14 Impoundment of disinfected tertiary recycled water shall not occur within 100 feet of any domestic water supply well.
- 5.6.15 All recycled water impoundments shall be adequately protected from erosion, washout and flooding from a 24-hour rainfall event having a predicted frequency of once in 100 years.
- 5.6.16 Vehicles used for distributing recycled water for soil compaction and dust control or other uses shall have an adequate tank and plumbing systems to ensure that leaks and ruptures will not occur in the course of normal use.
- .16.1. Control valves shall be provided and configured such that recycled water can be applied in a controlled fashion on the Site and completely retained during transit.
 - .16.2. Spray heads or nozzles shall be provided and configured such that recycled water is applied to prevent runoff, ponding, or windblown spray conditions.
 - .16.3. Each tank shall be equipped with an approved air-gap separation between the filler tube and the tank to prevent back-siphonage.
 - .16.4. Each tank used to store and/or transport recycled water must be flushed and disinfected prior to storage and/or transport of potable water or recycled water of better quality.
 - .16.5. The vehicles shall be clearly labeled in accordance with the requirements specified in Section 5.6.11.
- 5.6.17 Sites shall be designed and operated using best management practices (BMPs) to protect waters of the state and prevent public contact with recycled water.
- 5.6.18 The Sites shall be designed and operated using BMPs to prevent recycled water spray, mist, or surface flow from either leaving the Site or reaching:
- (a) Any perennial surface waters located adjacent to the Site;
 - (b) Areas where the public has access (e.g., dwellings, designated outdoor eating areas, or food handling facilities);
 - (c) Drinking fountains unless specifically protected with a shielding device.
- 5.6.19 BMPs shall include, but not be limited to:
- (a) Use of buffer zones;
 - (b) Discontinuation of application of recycled water during precipitation events, which are of sufficient magnitude to generate surface flow or significant ponding within the Site;
 - (c) Use of devices that protect drinking water fountains against contact with recycled water spray, mist, or surface flow;
 - (d) Irrigation with recycled water during periods of minimal human use of the irrigated area and timing of irrigation to allow an adequate dry-out time before the irrigated area will be used by the public.
- 5.6.20 Any storage facility or impoundment containing recycled water for reuse applications shall be managed in a manner to control odors, nuisance conditions or vectors such as

mosquitoes. Should such problems develop, a management plan shall be devised and implemented to monitor, correct, and control future occurrences.

5.6.21 Sites shall be designed and operated using BMPs so that application of recycled water occurs at agronomic rates whereby irrigation does not promote downward migration of salts (including nitrates), which could unreasonably affect present and anticipated beneficial uses of water, or result in water quality less than that prescribed in water quality control plans or policies.

.21.1. To demonstrate whether irrigation is at agronomic rates, the User shall provide information to the Districts including a tabular comparison of the volume of water required for plant growth in the landscape area to the volume of recycled water (and supplemental water) applied to the area.

5.6.22 Fertilizer application shall:

.22.1. Not unreasonably affect present and anticipated beneficial uses of water, or result in water quality less than that prescribed in water quality control plans or policies.

.22.2. Occur at agronomic rates. To demonstrate whether fertilizer application is at agronomic rates, the User shall provide information to the Districts including a tabular comparison of the amount of fertilizer needed for plant growth in the landscape area to the amount applied to the area.

.22.3. Occur if the levels of nitrogen in the recycled water are not sufficient for plant growth. If levels are not sufficient, the Site Supervisor shall calculate how much fertilizer needs to be applied by subtracting the level in recycled water from the level needed for plant growth.

5.6.23 Sites shall be designed and operated using BMPs so that adequate erosion control is implemented so that soil is not released into storm water runoff or surface waters.

5.6.24 Each User shall demonstrate to the Districts the means by which all applicable use area requirements as specified in the Districts' Permits and these Requirements will be complied with.

6. Site Inspections and Site Access

6.1 The Purveyor shall conduct periodic site inspections and prepare a report for each Site inspection pursuant to Section 8.3.

.1.1. Site inspections must be conducted at a minimum once every three (3) years per site or more frequently at the request of the Districts.

.1.2. In the event of identification of violation(s) during site inspections, corrective actions must be taken pursuant to Section 7 and notification shall be provided pursuant to Section 8.3.

6.2 The User shall allow an authorized representative of any of the following agencies the right to enter, inspect the Site, and conduct testing upon presentation of proper credentials: the Districts, LRWQCB, CDPH, and LACDPH or local health department.

6.3 In cooperation with the User or Purveyor, the Districts will make periodic inspections of the Site.

7. Corrective Action

- 7.1 The Site Supervisor shall immediately initiate corrective action to eliminate violation of any applicable laws or regulations, the Districts' Permits, or these Requirements, and make the appropriate notifications pursuant to Section 8.2.
- 7.2 The Purveyor or Direct User must verify the corrective action(s) and report to the Districts pursuant to Section 8.2.
- 7.3 In the event of contamination of a potable water system due to a cross-connection with the recycled water system, the Site Supervisor shall immediately invoke the Emergency Cross-Connection Response Plan and make the appropriate notifications pursuant to Section 8.1.

8. Notification and Reporting

8.1 Public Health, Spills, Unauthorized Discharges

- 8.1.1 Upon being notified or determining that one of the following events has occurred, the Site Supervisor shall immediately notify the Districts by telephone, and the LRWQCB, CDPH and LACDPH by telephone or electronic means. Written confirmation must be provided to all agencies within three (3) business days from the day of notification.
 - .1.1. There is a complaint (or other source of information) concerning recycled water use that may involve illness.
 - .1.2. An unauthorized discharge of more than 50,000 gallons of tertiary recycled water. Information provided shall include: the date and time the spill began and ended; the location of the spill; if the spill entered a storm drain or receiving water; the estimated volume of the spill or flow if the spill is ongoing; the estimated time of repair; the cause of the spill; the agencies involved with repair and clean-up; and corrective actions taken or plans for corrective actions.
 - .1.3. The potable water system has been contaminated due to a cross-connection with recycled water.
- 8.1.2 Upon being notified or determining that a spill or other release of recycled water from a Site, other than incidental runoff, including, but not limited to, breaks in the recycled water irrigation or distributions systems has occurred, the Site Supervisor shall immediately notify the Districts by telephone. Information provided shall include: the date and time the spill began and ended; the location of the spill; if the spill entered a storm drain or receiving water; the estimated volume of the spill or flow if the spill is ongoing; the estimated time of repair; the cause of the spill; the agencies involved with repair and clean-up; and corrective actions taken or plans for corrective actions. Written confirmation shall be provided within three (3) business days from the date of notification.

8.2 Non-compliance with Regulations

- 8.2.1 The Site Supervisor shall notify the Districts by telephone or electronic means upon knowledge of any noncompliance of applicable laws and regulations, the Districts' Permits, and these Requirements. Written confirmation shall be provided within three (3) business days from the date of notification.

- 8.2.2 The Purveyor or Direct User shall provide written verification to the Districts within ninety (90) days from the date of knowledge of the violation that corrective actions have been implemented.

8.3 Site Inspections

- 8.3.1 The site inspection report shall be signed and dated by the Site Supervisor and the inspector, and provided to the Districts within thirty (30) days following the end of the quarter in which the inspection was conducted.
- 8.3.2 The inspector shall immediately notify the Site Supervisor of violation(s) identified during site inspections and what corrective actions must be taken.
- 8.3.3 The Purveyor or Direct User shall notify the Districts by electronic means at least one (1) week prior to conducting a site inspection.

8.4 Miscellaneous Information

- 8.4.1 If someone other than the User is responsible for applying the recycled water (e.g., a truck hauler), then the User shall inform them of these Requirements in a written permit or other suitable manner.
- 8.4.2 The Site Supervisor is required to provide the Districts with an address and phone number(s) where he or she can be contacted at all times. The Site Supervisor is responsible for maintaining current pertinent information regarding the Site and Districts' contacts.
- 8.4.3 The Districts shall be notified in writing of any proposed changes in the individual designated as the Site Supervisor.
- 8.4.4 The Districts shall be notified in writing of any planned modifications or additions to the recycled water system. Any proposed significant modifications or additions to the recycled water system shall be reviewed and approved by the Districts before being made.
- 8.4.5 The User or Purveyor shall provide information as requested by the Districts in order for the Districts to comply with monitoring and reporting requirements issued by the LRWQCB.

9. Record Keeping

- 9.1 Current as-built drawings and other design plans of the recycled water system and potable water system, and any forms or reports as required by the Districts including, but not limited to, inspection reports, cross-connection tests, etc., shall be maintained by the Site Supervisor or Purveyor.
- 9.2 A copy of these Requirements, the Districts' Permits, the Emergency Cross-Connection Response Plan, and the Recycled Water System Operations Manual shall be maintained by the Site Supervisor so that they are available to operating personnel at all times.
- 9.3 For each site, the Site Supervisor or Purveyor must keep operation and maintenance logs that are available to the Districts. The logs shall include information that will be required for compliance with Permit requirements. This information, such as the monthly volumes of recycled water used at each site, dates of inspections and tests, etc, will be specified by the Districts in the approval letter.

Table 1. Process to Obtain Recycled Water for Direct Users or Purveyors

Process	Applicable Documents or Actions Required	Responsible Entity
<i>Step 1</i> – Consult with Districts and review Recycled Water Users Handbook	Districts' Recycled Water Users Handbook	Direct User or Purveyor
<i>Step 2</i> - Prepare draft plans and specifications	California Department of Public Health (CDPH) requirements in California Code of Regulations (CCR) Title 17 and 22 ¹ , Los Angeles County Department of Public Health (LACDPH) Guidelines	Direct User or Purveyor
<i>Step 3</i> - Draft User Agreement or amendment (if site is not covered under existing agreement)	Districts' User Agreement	Districts / Direct User or Purveyor
<i>Step 4</i> - Approve User Agreement or Amendment	Present Agreement or Amendment to Districts' Board and governing body of Direct User or Purveyor for approval	Districts / Direct User or Purveyor
<i>Step 5</i> - Submit Application for recycled water use	Districts' User Application Form	Direct User or Purveyor
<i>Step 6</i> - Identify distribution issues, verify allowed uses, estimate quantity of water and delivery schedule	Verification of information provided in the Application Form. Send conditional approval in writing with caveat that project commencement is contingent upon Direct User or Purveyor receiving all regulatory approvals.	Districts
<i>Step 7</i> – Complete California Environmental Quality Act (CEQA) Process	Make sure there is proper CEQA documentation for the site	Direct User or Purveyor
<i>Step 8</i> – Consult with health agencies (<i>recommended</i>)	Describe project and show draft plans to CDPH and LACDPH	Direct User or Purveyor
<i>Step 9</i> – Finalize and submit plans and specifications	Plans and specifications submitted to LACDPH; LACDPH Cross-Connection Plan Approval Application and fee.	Direct User or Purveyor
<i>Step 10</i> - Provide materials and/or training to User on proper operation of a recycled water system	Districts' Recycled Water Users Handbook to be provided by Districts; training to be provided by Districts and/or Purveyor (or an other equivalent program can be substituted)	Districts or Purveyor
<i>Step 11</i> – Consult with Lahontan Regional Water Quality Control Board (LRWQCB) (<i>recommended</i>)	Describe project and discuss Engineering Report needs	Direct User or Purveyor

¹ <http://www.cdph.ca.gov/healthinfo/environhealth/water/Pages/Waterrecycling.aspxH>.

Table 1. Process to Obtain Recycled Water for Direct Users or Purveyors

Process	Applicable Documents or Actions Required	Responsible Entity
Step 12 – Final plans and specifications	Obtain approval of final plans and specifications from LACDPH	Direct User or Purveyor
Step 13 – Prepare / amend Engineering Report	CDPH <i>Guidelines for Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water</i> ² ; Districts' information on water reclamation plants; Direct User or Direct User or Purveyor completes the Engineering Report; the Districts provide information related to treatment facilities; the report must be prepared and stamped by a professional engineer registered in California.	Direct User or Purveyor and Districts
Step 14 – Submit Engineering Report to CDPH and LRWQCB, with copy to Districts	Completed Engineering Report	Direct User or Purveyor
Step 15 – If applicable, submit revised Engineering Report, with copy to Districts	Revisions/additional information may be requested by CDPH and/or the LRWQCB	Direct User or Purveyor
Step 16 – Authorization of project under existing or new LRWQCB permit	Letter or permit	LRWQCB; possibly CDPH and/or LACDPH
Step 17 – Notify Districts of Final Regulatory Approvals	Direct User or Purveyor sends copy of LRWQCB letter or permit to Districts and any other applicable CDPH or LACDPH documents	Direct User or Purveyor
Step 18 – Pre- and post-construction inspections	Contact LACDPH prior to construction to arrange for site inspections, initial cross-connection and backflow prevention device testing; LACDPH Guidelines and Recycled Water System Inspection Report.	Direct User or Purveyor
Step 19 – Approval of final construction	By LACDPH	Direct User or Purveyor
Step 20 – Begin project implementation		Direct User or Purveyor
Step 21 – Submit revised as-built drawings of recycled water distribution system if necessary	Must be provided to LACDPH and Districts if any modifications have been made to original drawings	Direct User or Purveyor

² <http://www.cdph.ca.gov/certlic/drinkingwater/Documents/Recharge/ERGUIDE2001.PDFH>.

Table 2. Process to Obtain Recycled Water for Users Receiving Water From Purveyors

Process	Applicable Documents or Actions Required	Responsible Entity
<i>Step 1</i> – Consult with Purveyor and review Recycled Water Users Handbook	Districts' Recycled Water Users Handbook	User and Purveyor
<i>Step 2</i> – Prepare draft plans and specifications	California Department of Health Services (CDPH) requirements in California Code of Regulations (CCR) Title 17 and 22 ³ , Los Angeles County Department of Public Health (LACDPH) Guidelines.	User or Purveyor
<i>Step 3</i> – Request for recycled water service	Use recycled water Purveyor's application process	User
<i>Step 4</i> – Draft User Agreement or amendment (if site is not covered under existing agreement)	Districts' User Agreement or Amendment	Districts / Purveyor
<i>Step 5</i> – Approve User Agreement or Amendment	Present Agreement or Amendment to Districts' Board and governing body of Purveyor for approval	Districts / Purveyor
<i>Step 6</i> – Submit Application for recycled water use to Districts	Districts' User Application Form	Purveyor
<i>Step 7</i> – Identify distribution issues, verify allowed uses, estimate quantity of water and delivery schedule	Verification of information provided in the Districts' User Application Form. Send conditional approval in writing with caveat that project commencement is contingent upon Direct User or Purveyor receiving all regulatory approvals.	Districts
<i>Step 8</i> – Draft contract or amendment or other legal control mechanism (if site is not covered under existing contract or control mechanism)	Contract, contract amendment, or control mechanism between Purveyor and User	Purveyor and User
<i>Step 9</i> – Approve contract or amendment or other legal control mechanism (if site is not covered under existing contract or control mechanisms)	Purveyor and User authorize contract, contract amendment, or control mechanism	Purveyor and User
<i>Step 10</i> – Complete California Environmental Quality Act (CEQA) Process	Make sure there is proper CEQA documentation for the site	Purveyor and User
<i>Step 11</i> – Consult with health agencies (<i>recommended</i>)	Describe project and show draft plans to CDPH and LACDPH	Purveyor
<i>Step 12</i> – Finalize and submit plans and specifications	Plans and specifications submitted to LACDPH; LACDPH Cross-Connection Plan Approval Application and fee	Purveyor

³ <http://www.cdph.ca.gov/healthinfo/environhealth/water/Pages/Waterrecycling.aspxH>.

Table 2. Process to Obtain Recycled Water for Users Receiving Water From Purveyors

Process	Applicable Documents or Actions Required	Responsible Entity
<i>Step 13</i> – Provide materials and/or training to User on proper operation of a recycled water system	Districts' Recycled Water Users Handbook and training to be provided by Purveyor (the Districts' training program or another equivalent program can be substituted)	Purveyor
<i>Step 14</i> – Consult with Lahontan Regional Water Quality Control Board (LRWQCB) (<i>recommended</i>)	Describe project and discuss Engineering Report needs	Purveyor
<i>Step 15</i> – Final plans and specifications	Obtain approval of final plans and specifications from LACDPH	Purveyor
<i>Step 16</i> – Prepare / amend Engineering Report	CDPH <i>Guidelines for Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water</i> ⁴ ; Districts' information on water reclamation plants; Purveyor completes the Engineering Report; the Districts provide information related to treatment facilities; the report must be prepared and stamped by a professional engineer registered in California.	Purveyor and Districts
<i>Step 17</i> – Submit Engineering Report to CDPH and LRWQCB, with copy to Districts	Completed Engineering Report	Purveyor
<i>Step 18</i> – If applicable, submit revised Engineering Report, with copy to Districts	Revisions/additional information may be requested by CDPH and/or the LRWQCB	Purveyor
<i>Step 19</i> – Authorization of project under existing or new LRWQCB permit	Letter or permit	LRWQCB; possibly CDPH and/or LACDPH
<i>Step 20</i> – Notify Districts of Final Regulatory Approvals	Purveyor sends copy of LRWQCB letter or permit to Districts and any other applicable CDPH or LACDPH documents	Purveyor
<i>Step 21</i> – Pre- and post-construction inspections	Contact LACDPH prior to construction to arrange for site inspections, initial cross-connection and backflow prevention device testing; LACDPH <i>Guidelines and Recycled Water System Inspection Report</i>	Purveyor
<i>Step 22</i> – Approval of final construction	By LACDPH	Purveyor
<i>Step 23</i> – Begin project implementation		Purveyor and User
<i>Step 24</i> – Submit revised as-built drawings of recycled water distribution system if necessary	Must be provided to LACDPH and Districts if any modifications have been made to original drawings	Purveyor

⁴ <http://www.cdph.ca.gov/certlic/drinkingwater/Documents/Recharge/ERGUIDE2001.PDFH>.

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE:	October 18, 2016	October 26, 2016
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Matthew Knudson, Assistant General Manager	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	<i>AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON RATIFICATION OF NO-COST LEASE AGREEMENT WITH COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY FOR THE PURPOSE OF INSTALLING THREE MONITORING WELLS IN CONNECTION WITH THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT</i>	

Recommendation:

Staff recommends the Board ratify the approval of the attached lease agreement with County Sanitation District No. 20 of Los Angeles County for the purpose of installing three monitoring wells in connection with the development of the Palmdale Regional Groundwater Recharge and Recovery Project (PRGRRP).

Financial Impacts:

The approval of the attached no-cost lease will have no impact on PWD's budget.

Background:

The lease agreement will provide for the CSD to lease to PWD approximately 14,400 square feet of vacant property located in the northeast part of the City of Palmdale for the installation of three monitoring wells as part of PWD's efforts to implement the proposed PRGRRP. The initial term of the lease is 14 months with the option to extend on a month-to-month basis.

PWD is ready to advertise for construction bids for the construction of three monitoring wells that will achieve the goals of: 1) satisfy requirements set by the Regional Water Quality Control Board and SWRCB Division of Drinking Water; 2) begin collecting background water level and water quality data prior to implementation of the PRGRRP; and 3) be utilized to collect water level and water quality data while the PRGRRP is operational. The approval of the attached lease is necessary to grant permission to PWD to construct and operate said monitoring wells.

Strategic Plan Initiative:

2016 Strategic Plan Initiative No. 1 – Water Resource Reliability

Supporting Documents:

- Lease Agreement – Palmdale Water District Groundwater Monitoring Wells

LEASE AGREEMENT
(Palmdale Water District Groundwater Monitoring Wells)

This Lease Agreement (“**Lease**”) is dated _____, 2016 (the “**Effective Date**”), and is between **COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY**, a special district organized and existing pursuant to the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (“**Owner**”), and **PALMDALE WATER DISTRICT**, a special district formed under the provisions of Division 11 of the Water Code of the State of California (“**Water District**”). Owner and Water District are each a “**Party**” and collectively the “**Parties**.”

A. The Water District’s Groundwater Recharge and Recovery Project (“**Project**”) aims to develop a groundwater banking, storage, and extraction program on undeveloped land in northeast Palmdale. Prior to operating the Project, the Water District must establish a water quality baseline to satisfy the monitoring requirements of Section 60320.126 of Title 22 of the California Code of Regulations, and comply with separate monitoring and sampling requirements requested by the Lahontan Regional Water Quality Control Board. Further, the Water District must also monitor groundwater quality during recharge and recovery while the Project is in operation.

B. Owner is the owner of certain real property located in the City of Palmdale in the County of Los Angeles, State of California, identified as Assessor’s Parcel Number 3378-013-912 (“**Property**”) and described in Exhibit A.

C. The Water District desires to lease from Owner approximately 14,400 square feet of the Property (the “**Monitoring Well Site**”) to drill and monitor three monitoring wells, known as Monitoring Well-1A, Monitoring Well-1B, and Monitoring Well 1-C (collectively, the “**Wells**”), and to develop an unpaved access road approximately 16 feet wide and 275 feet long connecting East Avenue L to the monitoring well site (the “**Access Road**”). The Monitoring Well Site, together with the Access Road are the “**Premises**.” The Premises are depicted in Exhibit B.

D. The Owner intends to lease the Premises to the Water District on the terms and conditions set forth in this Lease because Owner does not currently contemplate that it will have an immediate need to use the Premises during the term of this Lease.

The Parties therefore agree as follows:

1. Lease of Premises.

(a) Lease. Owner hereby leases the Premises to the Water District and the Water District hereby leases the Premises from Owner for the duration described in Section 3 and upon the terms and conditions provided in this Lease.

(b) Limitation on Leasehold. This Lease and the rights and privileges granted to Water District in and to the Premises are subject to all covenants, conditions, restrictions, and exceptions of record or that are apparent from an inspection of the Premises (“**Existing Conditions**”). Owner represents that it holds a fee simple interest in the Premises. Owner makes no other representations or warranties, either express or implied, relating to the nature or condition of the Premises. Owner makes no representations or warranties, either express or implied, relating to the compliance of the Premises with any zoning law, rule, or regulation, order of law, statute, bylaw or ordinance of a governmental agency having jurisdiction governing or regulating the Premises (collectively, “**Laws**”) or the fitness of the Premises for any use to be made or intended to be made by the Water District. The Water District accepts the Premises in its “as is” condition as of the Effective Date of this Lease subject to all Laws and Existing Conditions. The Water District acknowledges that the Water District previously conducted a complete and adequate investigation of the Premises. The Water District shall obtain any and all required approvals, permits, or licenses and shall comply with all Existing Conditions and Laws in connection with the Water District’s use of the Premises and the drilling, monitoring, and operation of the Wells.

2. Use.

(a) Purpose. The purpose of the Lease is to allow the Water District to enter onto the Monitoring Well Site and to collect groundwater samples from the Wells (collectively, the “**Approved Uses**”). Water District’s entry onto the Property shall be limited to the access route indicated on Exhibit B. All Approved Uses shall be completed at Water District’s sole expense. The Water District shall provide Owner with two (2) days advance written notice prior to the first entry onto the Property for the purpose of undertaking the Approved Uses. Upon the written approval by the Water District’s General Manager (or designee) and an authorized representative of Owner, the Parties may change the applicable Wells and the location of the Approved Uses by drafting a new Exhibit B, which will replace and supersede any prior Exhibit B. Except only as provided in this Section 2(a), the Water District shall not use the Premises for any purpose or engage in or permit any other activity within or from the Premises.

(b) Owner’s Use. The Water District shall not interfere with the reasonable use and enjoyment of the Property, with the exception of the Premises, by Owner or any persons claiming by, through, or under Owner.

(c) No Ground-Disturbing Activities. The Approved Uses do not include any ground-disturbing activities that would be subject to the Construction General Permit, State Water Control Board Order No. 2009-0009-DWQ or any subsequent or other National Pollution Discharge Elimination System permit, or dust control plans or permits.

(d) Data and Analytical Results. The Water District shall provide Owner all data and analytical results associated with sampling authorized under this Lease within five (5) working days of its availability.

3. Term.

(a) Initial Term. The Term of this Lease commences on November 1, 2016, and expires on December 31, 2017 (the “**Initial Term**”), unless terminated by Owner pursuant to Section 14.

(b) Extended Term. Upon expiration of the Initial Term, this Lease will convert to a month-to-month term (the “**Extended Term**”). Rent for the Extended Term will be ONE HUNDRED DOLLARS (\$100.00) per month which is due and payable on the first day of each month of the Extended Term. During the Extended Term, either Party shall have the right to terminate the Lease upon 30 days’ prior written notice to the other Party, and all other provisions of this Lease shall remain in full force and effect.

4. Rent. The Water District will not pay a base rent (“**Base Rent**”) for the Premises for the Initial Term. All monetary obligations of the Water District under this Lease are deemed to be “rent”. The Water District shall pay all rent without notice, grace, offset, or deduction.

5. Taxes. The Water District acknowledges that its leasehold interest in the Premises is a possessory interest that may be subject to the payment of taxes. The Water District shall timely pay all taxes and assessments that become due and payable upon the Premises, or upon any fixtures, equipment, or other property installed or constructed on the Premises (“**Taxes**”). The Water District shall prevent Taxes from becoming delinquent liens upon the Premises. Unless the Water District notifies Owner in writing that the Water District is contesting or proposes to contest Taxes, the Water District shall allow Owner to pay any Taxes that are more than ninety (90) days delinquent. Owner will not be obligated to pay delinquent Taxes; but, if Owner elects to pay delinquent Taxes, the Water District shall immediately pay Owner the full amount of the delinquent Taxes including any late charges, penalties, or interest.

6. Maintenance, Restoration, Repairs and Utilities.

(a) Well Maintenance. Water District shall solely be responsible for maintenance, repair, installation, and operation of the Wells during the term of this Lease. Upon expiration or termination of this Lease, Owner shall either, at its election, take over operation and maintenance of the Wells, or require the Water District to abandon the Wells to Owner’s sole satisfaction within the time period specified by Owner.

(b) Access Road Maintenance. The Water District shall bear the full cost and responsibility for blading the Property to create the Access Road. The Water District shall maintain the road in good condition and make all repairs thereto during the term of this Lease at its sole cost and expense. Upon expiration or termination of this Lease or at a later time mutually agreed upon by the Parties, the Water District shall restore the road to its original condition to Owner’s sole satisfaction.

(c) Damage or Destruction. In the event of damage to or destruction to the Premises or the Wells or in the event Water District-occupied facilities or improvements (including, without limitation, the Wells) located within the Premises are declared unsafe or unfit for use or occupancy by a public entity, then the Water District shall commence and diligently pursue to completion, the repair, replacement, or reconstruction of improvements to the state that they existed immediately prior to the event causing the damage or destruction, as necessary to permit full use and occupancy of the Premises for the purposes required by the Lease. Repair, replacement, or reconstruction of improvements within the Premises must be accomplished in a good and workmanlike manner and according to plans and specifications approved in writing by the Chief Engineer and General Manager (“**Chief Engineer**”). Termination of this Lease will not reduce or nullify Water District’s obligations under this Section.

(d) Repairs. The Water District, at its sole cost and to the satisfaction of the Chief Engineer, shall maintain in good order, condition, and repair, the Premises and every part thereof, and all equipment, piping, utility lines, trade fixtures, and other personal property located in or on the Premises. The Water District shall repair at its sole cost and expense any damage to the Premises caused in whole or in part by the negligence or intentional misconduct of the Water District or the Water District's contractor, subcontractors, agents, representatives, employees or invitees. The Water District shall keep the Premises clean, neat, sanitary, and attractive to the satisfaction of the Chief Engineer at its sole cost and expense. The Water District shall keep the Premises free and clear of rubbish and litter at its sole cost and expense. The Owner is not obligated to make any repairs, replacements, or improvements of any kind in or to the Premises or the Property. The Water District expressly waives and releases its right to make repairs at the Owner's expense under Sections 1932(1) and 1942 of the California Civil Code or under any other laws. Owner shall have the right to enter upon and inspect the Premises at any time for the Water District's compliance with this Section or other provisions of this Lease.

(e) Utilities. The Water District shall pay for any or all public and other utilities and related services rendered or furnished to the Premises or the Wells. The Water District shall, at its sole cost and expense, maintain in good order and repair all utility lines on the Premises, if any.

7. Special Notice. Owner shall have no duty to inspect the Property and shall have no duty to warn any person of any latent or patent defect, condition or risk that may exist in or on the Property, or that might be incurred in the exercise of the rights granted herein. The Water District's entry and use of the Property is at Water District's sole risk. The Owner shall not provide any security with respect to the Property. The Water District assumes all responsibility for the protection of the Premises and the Water District's property from the acts of third parties.

8. **Governmental Obligations and Other Obligations of Water District.**

(a) Governmental Obligations. The Water District shall obtain at its sole risk, cost and expense all governmental permits and authorizations of whatever nature required by any and all federal, state or local governmental agencies or other necessary parties for the Water District's use of the Property and the Approved Uses. The Water District shall comply and shall cause all Water District's contractors, agents, consultants, its or their respective employees, representatives, agents or subcontractors, or any other parties directly or indirectly employed by any one of the foregoing or for whose acts any of the foregoing may be liable, including invitees or guests (individually, a "**Water District Representative**" and collectively, "**Water District's Representatives**") to comply with all applicable federal, state or local governmental laws, regulations or codes and shall not interfere with other uses while performing the Approved Uses and during the term of this Lease, including *without limitation*, the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651, *et seq.*; the Immigration Reform and Control Act of 1986 ("IRCA"); the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRAIRA"); the Immigration and Nationality Act ("INA"); all applicable equal employment opportunity laws and requirements promulgated by any governmental authority, including, without limitation, the requirements of Title VII of the 1964 Civil Rights Act, 42 U.S.C. § 1981; Executive Orders 11246, 11375 and 11478; the Age Discrimination in Employment Act; the Americans with Disabilities Act; and the Fair Labor Standards Act; all applicable local, state, or federal environmental laws and regulations including *without limitation*, the Clean Air Act, 42 U.S.C. §§ 7401-7671; the Clean Water Act, 33 U.S.C. §§ 1251-1387; the Comprehensive Environmental Response Compensation and Liability

Act (CERCLA), 42 U.S.C. §§ 9601-9675; the Solid Waste Disposal Act, 42 U.S.C. §§ 6901-6992; the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2692; and the Endangered Species Act of 1973, 16 U.S.C. §§ 1531-544.

9. **Hazardous Substance Activity.** The Water District shall not engage in any actual, proposed or threatened storage, use, release, emission, discharge, generation, processing, abatement, removal, disposition, handling or transportation of any Hazardous Substance (excepting those substances used as fuel by Water District's vehicles or equipment) from, under, into or on the Property or surrounding property or allow Water District's Representatives to do so in violation of any and all present and future federal, state or local laws (whether under common law, statute, rule, regulation or otherwise), permits, orders and any other requirements of governmental authorities relating to the environment or to any Hazardous Substance or Hazardous Substance Activity (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601, *et seq.*), as heretofore or hereafter amended from time to time, and the applicable provisions of the California Health and Safety Code and the California Water Code ("**Environmental Law**"). "**Hazardous Substance**" means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Environmental Law as a "hazardous substance," "hazardous material," "hazardous waste," "extremely hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or "EP toxicity" or (ii) petroleum, petroleum by-products, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources.

10. **Liens or Encumbrances.** The Water District shall not permit to be imposed or enforced against the Property, or any part thereof, any mechanics', materialmen's, contractors' or subcontractors' liens, any encumbrances or any claim for damage arising from the Approved Uses performed by, under or through the Water District or the Water District's Representatives, and the Water District shall pay or cause to be paid all of said liens, claims or demands before any action is brought to enforce same against the Property. The Water District agrees to indemnify, protect, defend and hold harmless Owner and the Property from all liability for any and all such liens, encumbrances, claims and demands, together with all attorneys' fees and all costs and expenses in connection therewith. The Water District acknowledges that failure to comply with the requirements of this Section constitutes a material default under this Lease, and the Owner may, without prejudice to any other right or remedy, remove the Water District from the Property and terminate this Lease.

11. **Indemnity.** To the fullest extent permitted by law, the Water District and the Water District's Representatives shall at the Water District's own cost and expense indemnify, protect, defend and hold harmless the Owner, its directors, officers, employees, agents, assigns, representatives, and all other County Sanitation Districts of Los Angeles County (hereafter, individually and collectively, the "**Indemnitee**") from any and all claims, liabilities, liens, demands, law suits, actions, losses, damages, injuries, judgments, penalties, fines, settlements, costs or expenses (including attorneys' fees and expert witness fees) asserted at law or in equity or in enforcing this indemnity and defense obligation

(hereinafter, “**Claims**”) for any damages or injury of any nature whatsoever to any person or property (including without limitation, Claims for injury or death of an employee of the Water District, or any Water District Representative) arising out of the Water District’s activities under this Lease to the extent resulting from, arising out of, or caused in whole or in part by the following (including, but not limited to): (a) the Approved Uses or any activities of the Water District or the Water District’s Representatives associated therewith; (b) the Water District’s breach of its obligations under this Lease; (c) any claim(s) under workers’ compensation acts, disability benefits acts, and other employee benefit acts, (provided, however, the indemnity and defense obligation hereunder shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable under such acts); (d) the Water District’s violation of any Laws, Existing Conditions, permits, plans or governmental approvals; (e) the Water District’s infringement of any patent, trademark, copyright or other protected intellectual property; (f) the Water District’s or the Water District’s Representative’s active or passive negligence; (g) the Water District or the Water District’s Representative’s conduct giving rise to strict liability, or a similar legal theory; (h) the presence, release, use, generation, discharge, storage or disposal of any Hazardous Substance caused by, or at the direction of, the Water District; or (i) the Water District’s violation of any Environmental Laws. The obligations imposed upon the Water District by this provision are binding, valid and enforceable even if it is claimed or established that Indemnitee caused or contributed to the damage, injury, loss, liability, penalty, fine, or expense unless such damage, injury, loss, liability, penalty, fine or expense was caused or incurred solely and exclusively as a result of Indemnitee’s gross negligence or willful misconduct. This indemnity obligation shall survive the expiration or termination of this Lease.

12. Insurance. Prior to any entry on the Property, the Water District shall secure and maintain, for the full duration of this Lease, such insurance as will protect it and the Owner in such a manner and at such amounts as set forth below. The Water District shall pay the premiums for said insurance coverage. The Water District shall furnish to the Owner certificates of insurance, endorsements, and such other documentation as the Owner may require verifying the insurance coverage as required by this Lease. These certificates of insurance and endorsements shall be delivered to the Owner on or before the Effective Date. The Owner reserves the right to require complete and accurate copies of all insurance policies required under this Lease. The insurance policies certified for compliance with this Lease shall include the following provisions or have them incorporated by endorsements: (a) Coverage provided by the Water District’s policies shall be primary coverage without right of contribution of any other insurance carrier or on behalf of the Owner. (b) the Water District shall provide insurance coverage through insurers that have at least an “A” policyholders rating and an “X” financial rating in accordance with the current Best’s Key Rating Guide; and (c) the insurance provided under this Lease shall include policies providing coverage to include each of the requirements set forth below in amount that meet or exceed the minimums set forth herein. The Owner shall receive thirty (30) calendar days prior written notice of a policy cancellation or reduction in coverage.

(a) Workers’ Compensation. The Water District shall maintain Workers’ Compensation Insurance as required by law in the State of California and Employer’s Liability Insurance (including disease coverage) in the amount of not less than \$1,000,000 per occurrence. This insurance shall also waive all right to subrogation against the Owner, its employees, representatives and agents.

(b) General Liability. The Water District shall maintain general liability insurance which includes provisions for contractual liability, independent contractors, and broad form property

damage coverage. This insurance shall have an endorsement naming the Owner, its directors, officers, employees, agents, and invitees as additional insureds and a standard cross liability clause or endorsement. The limit of insurance shall not be less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.

(c) Automobile Liability. The Water District shall maintain automobile liability insurance coverage for any vehicle including those owned, leased, rented, or borrowed. The limit of insurance shall not be less than \$1,000,000 per occurrence combined single limit.

13. Default in Terms of the Lease by Water District.

(a) Default. The occurrence of any one or more of the following events will constitute a default by the Water District:

i. The failure by the Water District to make any payment of Rent or any other sum payable under this Lease by the Water District, as and when due, where such failure continues for a period of three (3) days after written notice of such failure from the Chief Engineer to the Water District, except that any such notice will be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161, *et seq.*

ii. The failure or inability by the Water District to observe or perform any of the provisions of this Lease to be observed or performed by the Water District, other than specified in subsection (a)(i), where such failure continues for a period of five (5) days after written notice of such failure from the Chief Engineer to the Water District, except that any such notice will be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161, *et seq.* If the nature of such failure is such that it can be cured by the Water District but that more than five (5) days are reasonably required for its cure (for any reason other than financial inability), then the Water District will not be deemed to be in default if the Water District commences such cure within the five (5) day period, and thereafter, diligently prosecutes such cure to completion; provided, however, in no event shall the Water District's cure period exceed thirty (30) days.

iii. In case of or in anticipation of bankruptcy, insolvency, or financial difficulties:

a. The making by the Water District of any general assignment for the benefit of creditors;

b. A case is commenced by or against the Water District under Chapters 7, 11, or 13 of the Bankruptcy Code, Title 11 of the United States Code as now in force or hereafter amended and if so commenced against the Water District, the same is not dismissed within sixty (60) days;

c. The appointment of a trustee or receiver to take possession of substantially all of the Water District's assets located at the Premises or of the Water District's interest in this Lease, where such seizure is not discharged within thirty (30) days; or

d. The Water District's convening of a meeting of its creditors or any class of its creditors for the purpose of affecting a moratorium upon or composition of its debts.

e. In the event of any such default, neither this Lease nor any interests of the Water District in and to this Lease shall become an asset in any of such proceedings and, in any such event and in addition to any and all rights or remedies of the Owner under this Lease or provided by law, it will be lawful for the Owner to declare the term of this Lease ended and to remove all persons from the Premises, and the Water District and its creditors (other than the District) will have no further claim on the Premises or under the Lease.

iv. The Water District makes or has made any warranty, representation, or statement to the Owner in connection with this Lease, or any other agreement to which the Water District and the Owner are parties, which is or was false or misleading in any material respect.

(b) Remedies. In the event of any default by the Water District, then, in addition to any other remedies available to the Owner at law or in equity, the Owner may exercise the following remedies:

i. The Owner may terminate this Lease and all rights of the Water District under this Lease by giving written notice of such termination to the Water District. In the event that the Owner elects to terminate this Lease, the Owner shall recover from the Water District:

a. All damages permitted by California Civil Code Sec. 1951.2(a), including the worth at the time of award of the amount by which the unpaid rent and additional rent for the balance of the term after the time of award exceeds the amount of such loss that the Water District proves could be reasonably avoided and the cost of recovering possession of the Premises, expenses of reletting, including necessary repair, renovation, and alteration of the Premises, reasonable attorneys' fees, and any other reasonable costs; and

b. At the Owner's election, such other sums in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law. As used in this Section "rent" includes the Base Rent and all other sums required to be paid by the Water District pursuant to this Lease. The "worth at the time of award" of the amounts due prior to and after the date of award will be computed by allowing interest at the rate of the highest rate permitted by Law from the date such amounts accrued to the Owner. The worth at the time of award of amounts due after the date of award will be computed by discounting those amounts at one (1) percentage point above the discount rate of the Federal Reserve Bank of San Francisco at the time of award.

ii. Without terminating or effecting a forfeiture of this Lease or otherwise relieving the Water District of any obligation under this Lease in the absence of express written notice of the Owner's election to do so, the Owner may enter and relet the Premises or any portion thereof at any time or from time to time and for such term(s) and upon such condition(s) and at such rental as the Owner deems proper. Whether or not the Premises are relet, the Water District shall pay to the Owner all amounts required under this Lease up to the date that the Owner terminates the Water District's right to possession, and thereafter the Water District shall pay to the Owner, until the end of the term of the Lease, all rent and additional rent required under the terms of this Lease. Payments by the Water District will be due at the times provided in this Lease, and the Owner need not wait until the termination of this Lease to

recover them. Re-letting of the Premises will not relieve the Water District of any obligation under this Lease. Proceeds received by the Owner from such reletting shall be applied: first, to any indebtedness other than rent due from the Water District; second, to costs of reletting; third, to the cost of any alterations and repairs to the Premises; fourth, to rent due and unpaid hereunder. Any residue shall be held by the Owner and applied in payment of future rent as the same becomes due under this Lease. Should that portion of the proceeds received by the Owner from re-letting applied to payment of rent be less than the rent payable by the Water District during any month, the Water District shall pay such deficiency to the Owner immediately upon demand. The Owner may execute any lease under this section in its own name, and the lessee under such lease will have no obligation to see to application by the Owner of proceeds received by the Owner, nor will the Water District have any right to collect such proceeds. The Owner shall not by any re-entry or other act be deemed to accept any surrender by the Water District of the Premises or be deemed to terminate this Lease or to relieve the Water District of any obligation under this Lease, unless the Owner gives the Water District express written notice of the Owner's election to do so.

iii. The Owner may, at any time, terminate this Lease by express written notice to the Water District of its election to do so. Such termination will terminate the Water District's right to possession but will not relieve the Water District of any obligation under this Lease accrued before the date of termination. Upon such termination, the Owner may recover from the Water District the amounts determined pursuant to subsection 13(b)(ii) above.

(c) Description of Owner Remedies. Nothing in this Section will be deemed to affect the Water District's indemnity of the Owner for liability or liabilities based upon occurrences prior to the termination of this Lease for personal injuries or property damage under the indemnification clause or clauses contained in this Lease. No delay or omission of the Owner to exercise any right or remedy will be construed as a waiver of such right or remedy of any default by the Water District under this Lease.

14. Termination. The Owner reserves the right to terminate this Lease, at any time, with cause or without cause, upon providing written notice to the Water District ("**Termination**") (the "**Termination Notice**"). The Lease shall terminate immediately, automatically, unconditionally, and without further notice upon the expiration of thirty (30) days after delivery of the Termination Notice, and the Water District shall immediately vacate the Premises. However, upon Termination, the Water District shall remain responsible for the obligations provided in Sections 5 and 8 above. In no event will the Owner be liable to the Water District for any expense, costs, damages, including lost profits or any other damages in law or in equity, including consequential damages for Termination of this Leases by the Owner. The Owner and the Water District to the fullest extent permitted by law specifically waive any such claim.

15. Holding Over. Any holding over by the Water District after the expiration of the Initial Term or the Extended Term or any earlier termination will not constitute a renewal or give the Water District after such expiration or any earlier termination any rights under this Lease or in or to the Premises, except as otherwise herein provided. This Lease cannot be extended except as provided in Section 3. Any such month-to-month tenancy shall be terminable at the end of any calendar month by either Party by written notice to the other given not less than thirty (30) days prior to the end of such

month. If the Water District fails to surrender the Premises upon expiration of this Lease despite demand to do so by the Owner, the Water District shall indemnify and hold the Owner harmless from all loss or liability resulting from such failure to surrender, and the Owner shall be entitled to the benefit of all provisions of law respecting summary recovery of possession to the same extent as if statutory or other notice had been given, without requirement of giving such statutory or other notice.

16. Supervision of Approved Uses. The Water District shall maintain competent and sufficient supervision of Water District Representatives on the Property during all times while performing the Approved Uses. Water District Representatives on the Property shall be experienced, fully able to communicate with the Owner, trained, and knowledgeable as to the Approved Uses, and shall have the authority to act for the Water District. Water District Representatives on the Property shall be satisfactory to the Owner, and shall not be changed without the Owner's prior written consent. All communications or directions given to the Water District Representatives on the Property shall be as binding as if given to the Water District directly. The Water District shall enforce strict discipline and good order among its Water District Representatives, and shall not employ any unfit person. The Water District shall immediately remove and replace any person deemed unfit by the Owner. The Water District shall maintain a list of Water District Representatives performing the Approved Uses on the Property and shall produce such list to the Owner immediately upon request.

17. Public Records. The Water District acknowledges that any and all written information submitted to or obtained by the Owner from the Water District or any other person or entity having to do with or related to this Lease or the Premises, either pursuant to this Lease or otherwise, may be treated as a public record open to inspection by the public pursuant to the California Public Records Act (Government Code Section 6252, etc.) as now in force or as may be amended. The Water District hereby waives, for itself, its agents, employees, subtenants, and any person claiming by, through or under the Water District, any right or claim that any such information is not a public record or that the same is a trade secret or confidential information and hereby agrees to indemnify, defend, and hold the Owner harmless from any and all claims, demands, liabilities or obligations arising out of or resulting from a claim by the Water District that such information is a trade secret, or confidential, or is not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs.

18. Miscellaneous.

(a) Notices.

i. All notices or other communications between the Owner and the Water District required or permitted hereunder (except for certificates of insurance, which are governed by the notice provision in Section 11) shall be in writing and personally delivered or sent by U.S. mail, or sent by a reputable overnight courier (such as Federal Express, UPS, DHL) to the following addresses:

If to the Owner:	County Sanitation District No. 20 of Los Angeles County 1955 Workman Mill Road Whittier, CA 90601 Attention: Stan Pegadiotes, Property Management Group
------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------

If to the Water District: Palmdale Water District
2029 East Avenue Q
Palmdale, CA 93550
Attention: Matthew Knudson, Assistant General Manager

ii. A Notice shall be effective on the date of personal delivery if personally delivered before 5:00 p.m., otherwise on the day following the personal delivery, or on the date of receipt, if transmitted by electronic facsimile transmission (with electronic confirmation of receipt) prior to 5:00 p.m. or otherwise the next business day, provided receipt of such transmission shall be confirmed by follow-up notice within seventy-two (72) hours by another method authorized above, or two (2) business days following the date the notice is postmarked, if mailed, or on the day following delivery to the applicable overnight carrier, if sent by overnight carrier. Either party may change the address which notices are given to it by giving notice of such change of address in the manner set forth above for giving notice.

(b) Construction of Lease. The Owner and the Water District have freely and voluntarily entered into this Lease, uncoerced by any other person and each Party has been afforded the opportunity to obtain the advice of legal counsel of its choice with regard to this Lease in its entirety and understands the same. The Owner and Water District and their attorneys have had the opportunity to participate in the drafting and preparation of this Lease. Therefore, the provisions of this Lease will not be construed in favor of or against either the Owner or the Water District, but will be construed as if both the Owner and the Water District equally prepared this Lease.

(c) Severability. If any provision of this Lease, or the application thereof, be determined by a court to be invalid or unenforceable, the remaining provisions of this Lease will remain in full force and effect.

(d) Headings. The paragraph headings herein are used only for convenience and will not limit the subject of the sections or paragraphs of this Lease or be considered in their construction. Unless otherwise specifically referring to another instrument or document, references to "Sections" and "Subsections" refer to the Sections and Subsections of this Lease.

(e) Governing Law. This Lease will be governed by and construed in accordance with the laws of the State of California.

(f) Time of the Essence. Time is of the essence of each and every provision of this Lease.

(g) Time for Performance. Any reference in this Lease to time for the performance of obligations or to elapsed time shall mean consecutive calendar days, months or years, as applicable, unless otherwise expressly indicated herein.

(h) Entire Agreement. This Lease is the entire agreement between the Parties pertaining to the access and use of the Wells and supersedes all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties, oral or written. The foregoing sentence will in no way affect the validity of any instrument executed by the Parties in the form of the exhibits attached to this Lease.

(i) Incorporation of Exhibits. All exhibits to this Lease are incorporated herein by this reference.

(j) Attorneys' Fees. If any action or proceeding is instituted to enforce or interpret any provision of this Lease, the prevailing Party in the action will be entitled to recover its attorneys' fees and costs from the losing party.

(k) Authority. Each of the undersigned certifies that he or she is authorized to execute this Lease and is taking this action with full authority from the principal.

(l) Counterparts. This Lease may be executed in counterparts, a complete set of which will be deemed to be an original and all of which together will comprise but a single instrument. Signatures may be given via facsimile transmission and will be deemed given as of the date of the transmission of this Lease by facsimile to the other Party.

(m) Transfers. This Lease may not in any manner be transferred or assigned by the Water District without the Owner's prior written approval, which approval may be withheld without regard to reasonableness in the Owner's sole and absolute discretion.

(n) Exemption of Owner from Liability. The Owner shall not be liable for injury or damage to the person or property of the Water District, the Water District's agents, representatives, employees, contractors, subcontractors, invitees, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, or from any other cause.

(o) No Brokers. The Owner and the Water District hereby represent and warrant to each other that they have not dealt with any broker, finder, or any other person, firm, corporation or other legal entity so as to create any legal right or claim for a commission or similar fee or compensation with respect to the Premises or this Lease. The Owner and the Water District hereby indemnify each other against, and agree to hold each other harmless from, any liability or claim (and all expenses, including reasonable attorneys' fees, incurred in defending any such claim or in enforcing this indemnity) for a real estate brokerage commission or similar fee or compensation arising out of or in any way connected with any claimed dealings with the indemnitor and relating to the Premises or this Lease.

(p) Delegation to the Chief Engineer. The Chief Engineer or her designee is authorized to take all actions on behalf of the Owner in connection with any approvals, consents, or actions required of or by the Owner under this Lease including, without limitation, to approve and execute immaterial amendments to this Lease.

(q) Mineral, Water and Other Reservations to the District. The Owner reserves to itself, its successors, and assigns, and excepts from the Premises, any and all oil, oil rights, petroleum, minerals, mineral rights, natural gas rights, and other hydrocarbon substances by whatsoever name known, geothermal resources (as defined in California Public Resources Code Section 6903), and all products derived from any of the foregoing, that may be within or under the land, together with the perpetual right of drilling, mining, exploring, prospecting and operating therefore and storing in and

removing the same from the Premises. Owner further reserves to itself, its successors and assigns, the exclusive right to grant and transfer all or a portion of the rights reserved in this section.

(r) No Waiver. The failure of the Owner or the Water District to insist upon strict performance of any of the terms, covenants, or conditions of this Lease will not constitute a waiver of any right or remedy that the Owner or the Water District may have, and will not be deemed a waiver of the right to require strict performance of all the terms, covenants, and conditions of this Lease, nor a waiver of any remedy for the subsequent breach or default of any term, covenant, or condition of the Lease. Any waiver, in order to be effective, must be signed by the Party whose right or remedy is being waived.

(s) Survival of Indemnity. Each and every indemnification and hold harmless provision contained in this Lease will survive the expiration or earlier termination of this Lease.

(t) Covenants and Conditions. All obligations of the Water District under this Lease are covenants and conditions.

(u) No Memorandum of Lease. This Lease will not be recorded, and the Parties will not record a memorandum of this Lease.

(v) Signs. The Water District shall not place any sign upon the Premises without the Owner's prior written consent, which consent may be withheld in Owner's sole and absolute discretion. All signs must comply with all Laws and Existing Conditions.

[Signature Page Follows]

The Owner and the Water District are signing this Lease effective on the date set forth in the introductory clause.

**COUNTY SANITATION DISTRICT NO. 20
OF LOS ANGELES COUNTY**

By: _____
Chairperson

ATTEST:

By: _____
Secretary to the Board

APPROVED AS TO FORM:
Lewis Brisbois Bisgaard & Smith, LLP

By: _____
District Counsel

PALMDALE WATER DISTRICT

By:  _____
General Manager

APPROVED AS TO FORM:
Aleshire and Wynder, LLP


By:  _____
Palmdale Water District Counsel

EXHIBIT A

Property Description

The land referred to is situated in the County of Los Angeles, City of Palmdale, State of California, as is described as follows:

The Northeast quarter of the Northeast quarter of the Northwest quarter of the Northwest quarter of Section 33, Township 7 North, Range 10 West, San Bernardino Base and Meridian.

APN: 3378-013-912

EXHIBIT B
Depiction of Premises

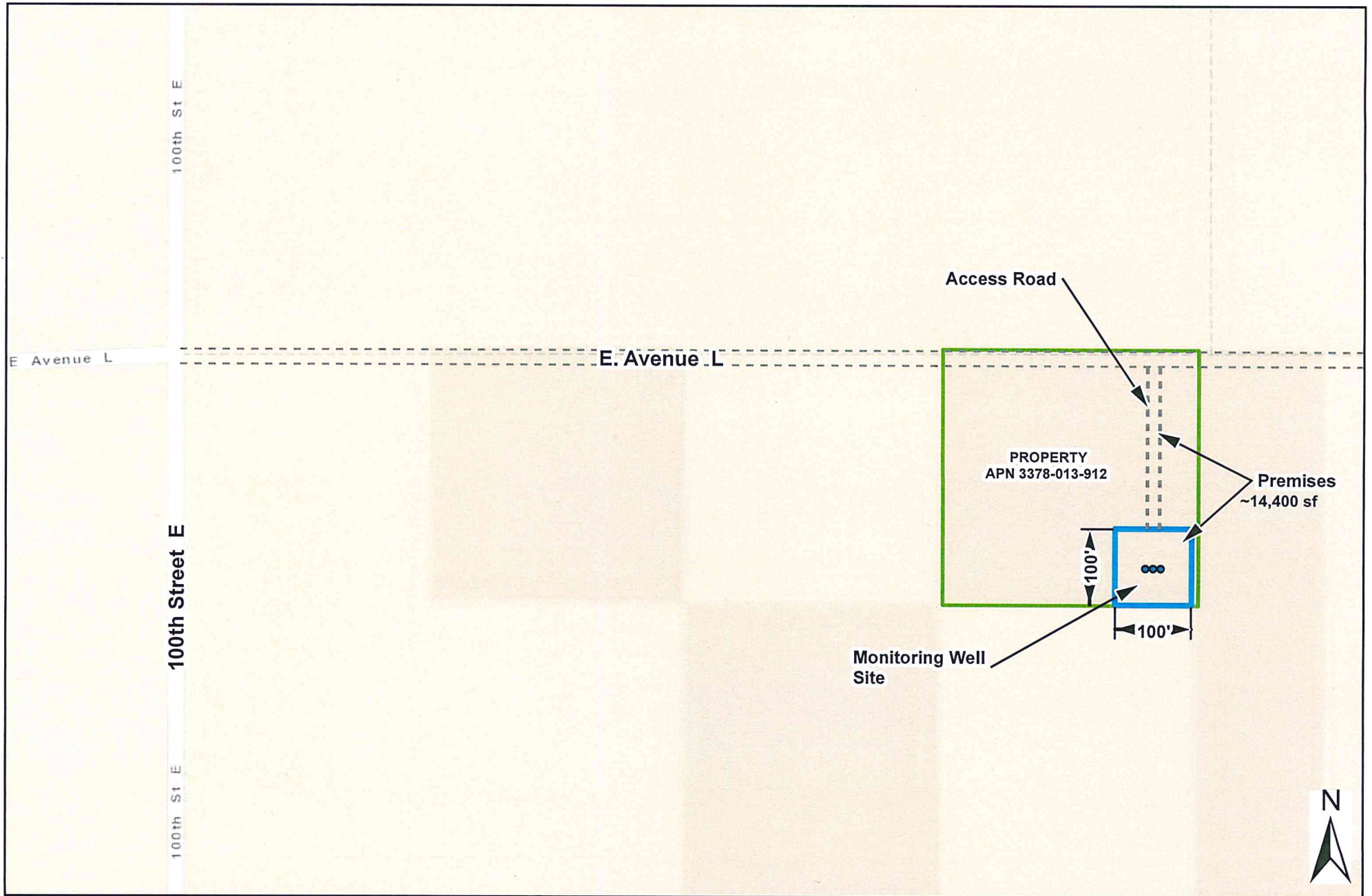


Exhibit B

Palmdale Water District - Lease Agreement for Groundwater Monitoring Wells County Sanitation District No. 20 of Los Angeles County

Date: 9/27/2016

R:\Planning\GIS-Team\Wastewater\AV\Palmdale\projects\Lease_Agreement_3378_013_912.mxd cl | Doc# 3860664

PALMDALE WATER DISTRICT BOARD MEMORANDUM

DATE:	October 18, 2016	October 26, 2016
TO:	BOARD OF DIRECTORS	Board Meeting
FROM:	Mr. Matthew Knudson, Assistant General Manager	
VIA:	Mr. Dennis LaMoreaux, General Manager	
RE:	<i>AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON RATIFICATION OF NO-COST ENTRY PERMIT WITH COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY FOR THE PURPOSE OF SOILS INVESTIGATION AND CONSTRUCTING A TEMPORARY INFILTRATION TEST BASIN IN CONNECTION WITH THE PALMDALE REGIONAL GROUNDWATER RECHARGE AND RECOVERY PROJECT</i>	

Recommendation:

Staff recommends the Board ratify the approval of the attached Entry Permit No. 230 with County Sanitation District No. 20 of Los Angeles County (CSD) for the purpose of soils investigation and constructing a temporary infiltration test basin in connection with the development of the Palmdale Regional Groundwater Recharge and Recovery Project (PRGRRP).

Financial Impacts:

The approval of the attached no-cost entry permit will have no impact on PWD's budget.

Background:

The entry permit will provide for the CSD to grant temporary access to their property for PWD to collect soils samples and construct a temporary infiltration test basin. The soil samples and infiltration test basin is part of PWD's efforts to implement the proposed PRGRRP and collect valuable data in verifying the design of the preliminary design of the PRGRRP. The term of the entry permit is November 1, 2016 – June 30, 2017.

PWD is ready to advertise for construction bids for the construction of the temporary infiltration test basin that will achieve the goals of: 1) verify the percolation and infiltration of water over a period of approximately 6-months; and 2) collect soil samples that will be used in a laboratory environment to verify the removal of water quality constituents through the soil aquifer treatment process. The approval of the attached entry permit is necessary to grant property access to PWD to collect soil samples and construct the temporary infiltration test basins.

Strategic Plan Initiative:

2016 Strategic Plan Initiative No. 1 – Water Resource Reliability

Supporting Documents:

- Entry Permit No. 230

ENTRY PERMIT NO. 230

COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY, a county sanitation district organized and existing under provisions of the County Sanitation District Act, California Health and Safety Code Section 4700 et seq., ("**District**"), hereby grants permission to the **PALMDALE WATER DISTRICT** ("**Permittee**"), its officers, agents, contractors, consultants, or employees, to enter upon certain District property, APNs 3378-013-901, 3378-013-913 and 3378-013-911 ("**Property**") as shown on Exhibit A, for the purpose of conducting soils investigation work and constructing, operating, and maintaining a 120-foot by 120-foot infiltration test basin on the Property in connection with the Palmdale Regional Groundwater Recharge and Recovery Project.

This permission is given under and subject to the following conditions, which the Permittee agrees to by acceptance of this Permit:

1. Permit is valid from November 1, 2016, through June 30, 2017 ("Initial Term"). Permit may be terminated by the District in its sole and absolute discretion upon three (3) business days' written notice to the Permittee.
2. Any extension of this Permit beyond the Initial Term shall be under the terms and conditions of a new Entry Permit that may be granted by the District.
3. Permit is being issued to Permittee at no cost.
4. Permittee shall provide a minimum of forty-eight (48) hours' notice prior to the first entry on the Property to Mr. Oscar Morales, of the District's Property Management Group, at (562) 908-4288, extension 2762 or omorales@lacsdc.org.
5. Permittee shall promptly repair any damages to the Property, any other property of the District or other parties resulting from Permittee's activities under this Permit and shall restore all areas accessed by Permittee to the satisfaction of the District.
6. Permittee shall not engage in, or permit any other party to engage in, any activity on the Property that violates any federal, state or local statutes, ordinances, laws, rules or regulations pertaining to hazardous, toxic or infectious materials and/or waste ("**Hazardous Materials**"). Permittee shall comply with all applicable federal, state, and local statutes, ordinances, laws, rules and regulations pertaining to disclosure of Hazardous Materials. Permittee shall comply with all applicable federal, state, and local statutes, ordinances, laws, rules and regulations pertaining to the storage and/or discharge of Hazardous Materials. Permittee shall indemnify, defend, and hold harmless the District, its associated county sanitation districts, its directors, officers, agents and employees and its successors and assigns harmless from any and all claims, loss, damage, actions, causes of action, expenses and/or liabilities arising from leaks, spills, or contamination by or from Hazardous Materials as defined by applicable statutes, ordinances, laws or regulations, which arise during or after the Permit term, and are attributable to the actions of, or failure to act by, Permittee or any person entering the Property pursuant to this Permit.
7. Permittee's use of the Property is at its own risk. The District is not responsible for the security of Permittee's property or operations.

8. Permittee shall keep a fully-executed copy of this Permit on hand at all times while on the Property and present it to any District's staff member upon inquiry.
9. Permittee, at its own expense, shall obtain general liability insurance with limits of at least \$1,000,000 per occurrence naming the District, its officers, directors, employees and agents with respect to any claims or occurrences arising out of the use of this Permit or entry onto the Property and shall furnish to the District current certificates of insurance certifying such coverage in addition to evidence of California Worker's Compensation coverage, before entering the Property.
10. Permittee agrees, for itself, and for its agents and employees, and any person or persons claiming on behalf of the Permittee, to indemnify, defend and hold harmless the District, its associated county sanitation districts, its directors, officers, agents and employees and its successors and assigns harmless from any and all claims, loss, damage, actions, causes of action, expenses and/or liabilities, including reasonable attorneys' fees and costs of litigation, arising from or growing out of loss of or damage to property, including the property of the District, its successors and assigns, and its and their officers, agents employees, tenants, licensees and permittees or injury to or death of persons resulting in any manner, directly or indirectly, from: a) use of the Property by the Permittee, its agents, contractors, or employees; b) the maintenance, use, operation, repair or presence of that use; c) any operations or activities of the Permittee on the Property; or, d) the exercise by the Permittee, its officers, agents, contractors, or employees of any of the rights granted to Permittee by this Permit.
11. Permit may be executed in multiple counterparts, each of which will be deemed an original, but all of which, together, will constitute one and the same instrument.
12. Permit may not be assigned without the prior express written consent of the District's Chief Engineer and General Manager ("**Chief Engineer**"), or her designee. The Chief Engineer, or her designee, is authorized to issue this Permit on behalf of the District.

ACCEPTED BY:

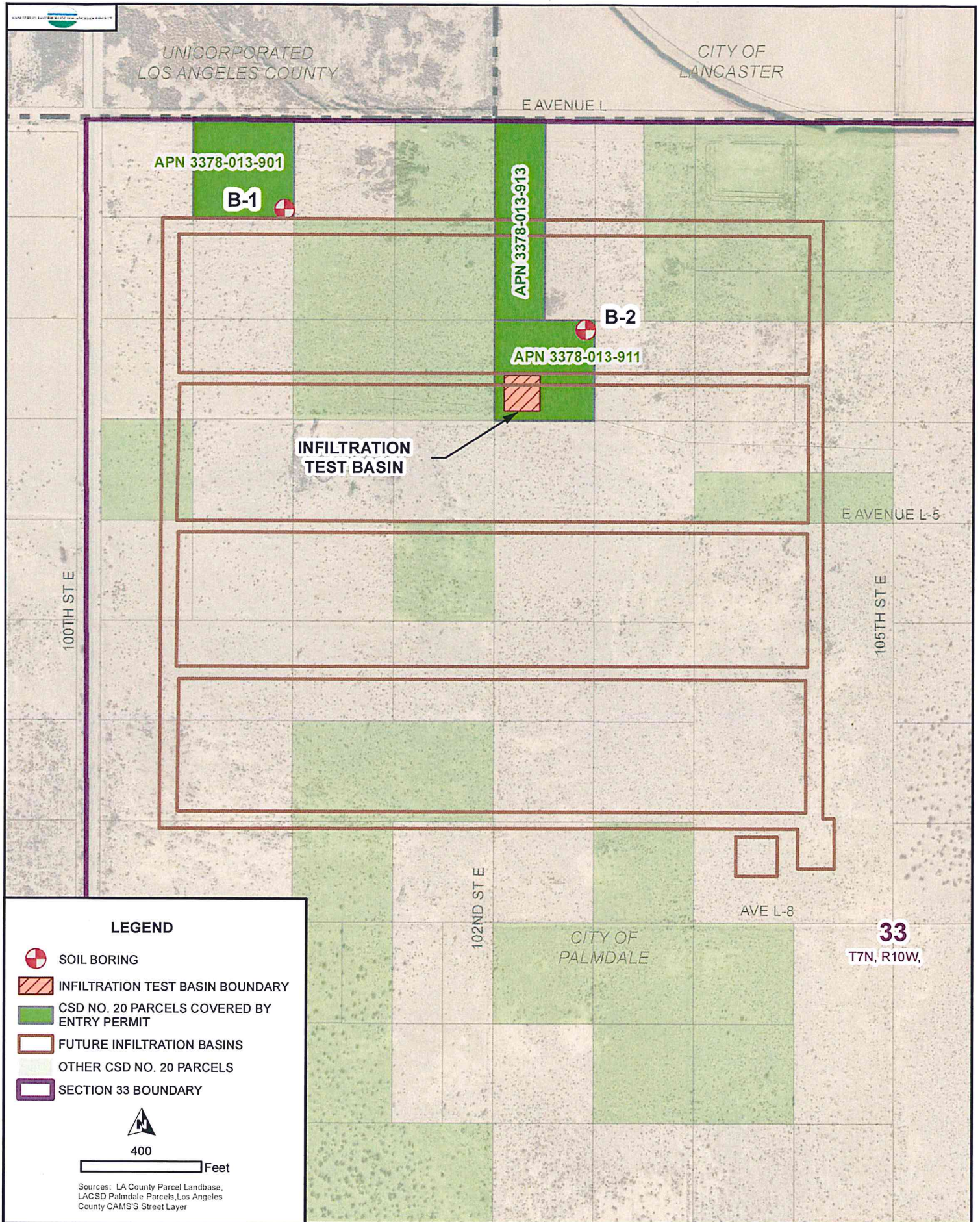
PALMDALE WATER DISTRICT

By: Dennis LaMoreaux Date: 10/3/16
Dennis LaMoreaux
General Manager

ISSUED BY:

**COUNTY SANITATION DISTRICT NO. 20
OF LOS ANGELES COUNTY**

By: _____ Date: _____
Stan Pegadiotes
Supervising Engineer
Property Management Group



PALMDALE WATER DISTRICT ENTRY PERMIT NO. 230

COUNTY SANITATION DISTRICTS NO. 20 OF LOS ANGELES COUNTY

Document Path: R:\Planning\PropertyManagement\Projects\WVPalmdale\Projects\Palmdale_Infiltration_Basin\PWD_PRGRPP MonWell_Infiltration_Test_Basin.mxd | EAO | DOC # 3812334

Date: 9/27/2016

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: October 19, 2016 **October 26, 2016**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Jim Stanton, IT Manager
VIA: Mr. Dennis D. LaMoreaux, General Manager
Mr. Matt Knudson, Assistant General Manager
RE: ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION
ON NEW VIDEO AND VOTING SYSTEM FOR MAIN BOARD ROOM.***

Recommendation:

Staff recommends entering into the attached proposal with CWI CAL-WEST at a cost not-to-exceed \$60,000.00 to replace and modernize the video and voting system in the Main Board Room.

Background:

The current video system in the Main Board Room is approximately 15 years old, and the voting system is approximately 25 years old, they frequently malfunction and breakdown, and they do not provide adequate viewable coverage for the room. The video system is currently barely functioning. Audience members find it difficult to see the Director votes.

The proposed solution will replace the existing voting board with a digital monitor and will include mobile applications compatible with the Apple iPads currently in use. In addition, the solution includes replacing both projectors, adding a new video controller on the podium, replacing the current video switches, and programming.

Strategic Plan Element:

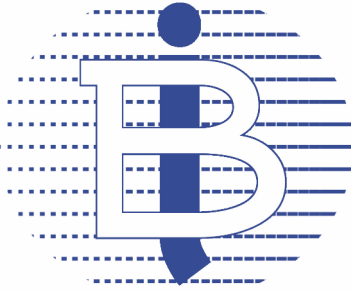
This work is part of the District Strategic Plan, Initiative No. 3 - System Efficiency.

Budget:

This item is currently not funded in the 2016 budget but will be funded by savings from other projects.

Supporting Documents:

- CWI CAL_WEST proposal



Background Images
 28159 Ave Stanford, Unit 120
 Valencia, CA 91355
 Phone: 661-257-5710
 Fax: 661-257-8510
 www.bgimages.com

Quote

Quote Number: 16-0402
 Board Room Upgrade with Voting

Client	Venue / Site
Palmdale Water District Jim Stanton 2029 E. Ave Q Palmdale, CA 95355 USA Phone: 661-456-1050 jstanton@palmdalewater.org	Palmdale Water District Jim Stanton 2029 E. Ave Q Palmdale, CA 95355 USA Phone: 661-456-1050 jstanton@palmdalewater.org

Account Manager	Shipping Method	Customer PO	Warehouse	Terms	Tax Rule
Alan Barber	N/A		Valencia	Net 30	Sales Tax

Ship Date	Load In	Show Start	Load Out	Return Date	Discount	Status
11/1/2016 8:00 AM				11/10/2016 5:00 PM		Inquiry

Type	Qty.	Description	Note	Time	Rate	Price	Price Ext.
Projection Equipment							
Ship Date: 11/1/2016 8:00 AM							
Return Date: 11/10/2016 5:00 PM							
Retail	2	LCD Video Projector...6,000 Lumens	1920 x 1200 Native Resolution 6,000 Center Lumens 2,000 Lamp Hour Life			6,255.00	12,510.00
Retail	2	Lens: 1.75-2.98:1 Zoom	*Small Screen Throw: 12' 3" for 5'6" wide image *Large Screen Throw: 12.5' to 16' for 8' wide image.			1,710.00	3,420.00
Retail	2	Spare Lamps 370w				425.00	850.00
Retail	2	Spare Filter Pack for Projector				57.00	114.00
Retail	2	Premier Mounts PBM-UNI Mount				572.50	1,145.00
Projection Equipment:						\$18,039.00	

Switch/Automation Equipment

Ship Date: 11/1/2016 8:00 AM

Return Date: 11/10/2016 5:00 PM

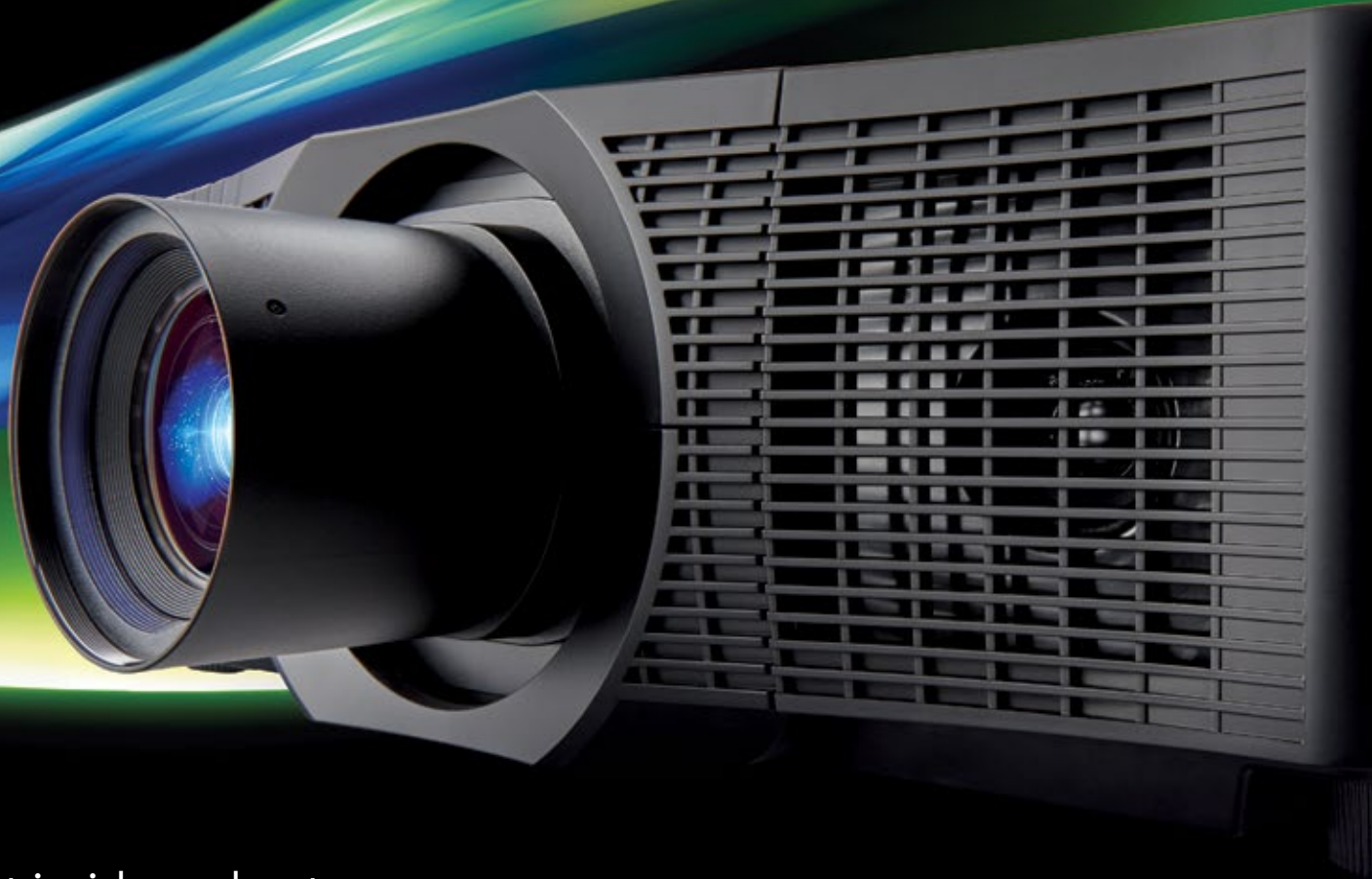
Retail	1	DL-HDM44 Matrix 4x4 HDMI Switcher				574.00	574.00
Retail	1	DIGI-1x4B-1H HDMI DA				820.00	820.00
Retail	1	AS-1H1V-WP-W HDBaseT TX Wall Plate				404.00	404.00
Retail	5	DIGI-HD60C-S HDBaseT RX				216.55	1,082.75
Misc	2	DIGI-HD60C-S HDBaseT TX				216.55	433.10
Retail	3	PS-24D-25 Power Supply				26.25	78.75
Retail	1	MA MS-5.5 Rack Shelf-Slotted				19.00	19.00
Retail	1	EMX-HD-AUD HDMI EDID Emulator				162.45	162.45

Type	Qty.	Description	Note	Time	Rate	Price	Price Ext.
Retail	1	NMX-MM-1000 Enzo Presentation Gateway				1,309.25	1,309.25
Retail	1	PS-POE-AF-ATC Power Supply for PoE				78.75	78.75
Retail	1	Rack Mount Kit for Enzo				68.75	68.75
Retail	1	DL-USB2-C Balun USB TX				100.15	100.15
Retail	1	DL-USB2-H Balun USB RX				100.15	100.15
Retail	1	Cables and Supplies for Automation Equipment	Includes CAT6, connectors, patch cables.			500.00	500.00
Switch/Automation Equipment:							\$5,731.10
Voting and Countdown Clock							
Ship Date: 11/1/2016 8:00 AM							
Return Date: 11/10/2016 5:00 PM							
Retail	1	10000-01E: ISOLATOR BOARD, 16 I/O, NO AXP-CPI16				437.50	437.50
Retail	1	AXP-CPI16: AXLINK CUSTOM PANEL INTERFACE				375.00	375.00
Retail	1	E-Displays ED206-110 4 number 2.25" Countdown Cloc		1	Each	475.00	475.00
Retail	1	Chytlv Character Generator DVI/SVGA		1	Each	2,550.00	2,550.00
Voting and Countdown Clock:							\$3,837.50
Software and License							
Ship Date: 11/1/2016 8:00 AM							
Return Date: 11/10/2016 5:00 PM							
Misc	1	License, IPAD, Single Device, TPControl AMX Application				2,362.50	2,362.50
Software and License:							\$2,362.50
Labor							
Ship Date: 11/1/2016 8:00 AM							
Return Date: 11/10/2016 5:00 PM							
Misc	1	AMX Custom Software Labor	Reprogram Existing AMX System for new hardware - reuse touch panel and add wireless IPAD for Clerk use.	1	Each	1,350.00	1,350.00
Show Expense	1	AMX Custom Voting Software Program Labor	Flat Rate for integrating Voting System. Fully custom program for PWD.	1	Each	8,000.00	8,000.00
Show Expense	1	Video Technician	On-Site Installation and Supervision and Software Testing. Move and Install Racks	10	Day Rate	750.00	7,500.00
Show Expense	1	Video Assist	Semi-Skilled Labor for Assist of Installation	10	Day Rate	500.00	5,000.00
Show Expense	1	Projectionist	Load In Day and Final Convergence Day	2	Day Rate	750.00	1,500.00
Labor:							\$23,350.00
Expenses							
Ship Date: 11/1/2016 8:00 AM							
Return Date: 11/10/2016 5:00 PM							
Misc	1	Equipment Shipping Charges				450.00	450.00
Misc	2	Service Delivery Charge				400.00	800.00

Type	Qty.	Description	Note	Time	Rate	Price Expenses:	Price Ext. \$1,250.00
Notes:				Subtotal:			\$54,570.10
Terms: 50% deposit of labor and equipment upon confirmation. Balance due on last day of installation. Any material changes will be made in writing and must be approved by PWD prior to ordering.				Sales Tax:			\$2,445.71
				Discount:			\$0.00
				Delivery and Pickup:			\$0.00
				Total:			\$57,015.81
				Total Applied Payments:			\$0.00
				Balance Due:			\$57,015.81

Christie D Series

Boardrooms	Media rooms
Conference rooms	Museums
Education	Rental and Staging
Government	Training rooms
Houses of worship	



Brilliant inside and out

Christie® D Series expands our existing 3LCD projection family by broadening our range of resolution and brightness options, as well as offering connectivity, integration with third-party systems and a variety of lens options. With an attractively designed exterior and high-performance features, Christie D Series single-lamp projectors give you choice to meet your venue's needs.

Whether you're outfitting a meeting room, event space, classroom or auditorium, the Christie D Series offers a collection of projectors that deliver brightness, wide aspect ratio, exceptional image quality, versatility and ease of use at an affordable price. Backed by industry-leading warranties and service, your technology investment is guaranteed to perform reliably and deliver value in any application.

CHRISTIE®



Christie D Series

Christie® D Series delivers the performance and affordability you're looking for in a single-lamp projection solution, while also offering many features unique to this series. You'll find it simple to integrate with third-party control systems for flexibility in collaboration and presentation.

Flexibility

Expanded brightness range with 6000 to 8000 lumens
Multiple resolutions to choose from – XGA, WXGA, WUXGA
Brightest single-lamp options – 8000 for XGA, 7500 for WXGA and 7000 for WUXGA
Superior contrast of 10,000:1
Flexibility in application with range of lens options
Unobtrusive, quiet operation

Professional features

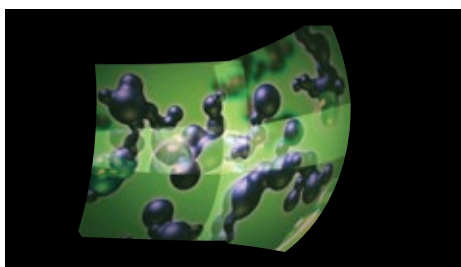
Built-in warping and blending
Portrait orientation with no special lamps required
Precise color control with Advanced Color Management
Excellent image manipulation with digital image shift
Stable, uniform brightness in high ambient light environments with High Dynamic Contrast Range (HDCR)
eClarity for advanced image processing

Integration

Powerful yet simple high-performance connectivity with 3G-SDI input (LWU701i-D only)
Single point of connection through HDBaseT and Christie OneConnect
AMX and Crestron control
Enhanced security functionality for asset management
Enhanced projector management with Christie QuickConnect

- ▲ Virtually no visible connections – Christie OneConnect provides a seamless, aesthetically pleasing installation by hiding the input/output connection panel and routing just the HDBaseT cable and power cord under the projector.

Using Christie LiveViewer software (free with Christie D Series purchase), share audio and video content directly from your computer or laptop to your projector via your Local Area Network or wirelessly (optional USB dongle required). Christie LiveViewer supports greater flexibility for collaborative environments such as classrooms, meeting rooms or large venues – whether you have content from single or multiple sources, or you're projecting content using multiple projectors¹. Collaborate simply and effectively with up to 50 participants, including moderator control of up to 4 simultaneous presentations, on one or various displays when using multiple projectors. You can also make your session secure to prevent unauthorized sharing by asking content participants to enter a passcode.



◀ Christie D Series can offer blending and warping at the same time.



◀ Improve picture quality by adjusting 3 aspects (hue, saturation and luminance) in real time.

		Christie LX801i-D	Christie LW751i-D	Christie LW651i-D	Christie LWU701i-D	Christie LWU601i-D
Image	brightness	• 8000 ANSI lumen	• 7500 ANSI lumens	• 6500 ANSI lumens	• 7000 ANSI lumens	• 6000 ANSI lumens
	contrast	• 10,000:1 full on/off				
	color reproduction	• 1.074 billion				
Display	type	• 3X inorganic LCD 0.79" Polysilicon TFT active matrix	• 3X inorganic LCD 0.75" Polysilicon TFT active matrix		• 3X inorganic LCD 0.76" Polysilicon TFT active matrix	
	native resolution	• 1024 x 768 (786,432 pixels) 4:3 ratio	• 1280 x 800 (1,024,000 pixels) 16:10 ratio		• 1920 x 1200 (2,304,000 pixels) 16:10 ratio	
Lamp	type	• 1 x 430W UHP	• 1 x 430W UHP	• 1 x 370W UHP	• 1 x 430W UHP	• 1 x 370W UHP
	typical lifetime	• Standard mode: up to 2000 hrs (430W UHP) / 3000 hrs (370W UHP) • Eco mode: up to 4000 hrs • Portrait mode: up to 1000 hrs				
Inputs	standard	• HDMI connector x 2 • DisplayPort x 1 • HDBaseT x 1 • D-sub 15 pin (RGB & Component) x 1 • Composite video x 1 • USB type A connector x 1 (for wireless USB dongle) • 3G-SDI x 1 (LWU701i-D only)				
	signals	• HDTV formats VGA through to WUXGA (1920 x 1200) • Horizontal and vertical scaling while maintaining aspect ratio, all inputs				
	pixel clock	• 27 ~ 150 MHz			• 27 ~ 162 MHz	• 27 ~ 150 MHz
Outputs	standard	• Monitor out D-sub 15 pin (RGB) x 1				
Control and networking		• D-sub 9 pin x 1 (RS232c) • HDBaseT x 1 (used in standard inputs) • RJ45 Ethernet (10/100) • Wired Remote Jack (3.5 stereo mini) x 1				
Lenses		• For further details on lenses, please see www.christiedigital.com				
Accessories	standard	• Power cord (US cord, 3m) x 1 • (Euro code, 3m) x 1 and (UK cord, 3m) x 1: 121-032106-01, 121-032117-01 • Power cord (China cord, 3m) x 1: 121-032128-01 – domestic model only • RGB cable (2m) x 1 • HDMI-DVI cable (0.4m) x 1 • Wireless remote control unit x 1 • Adapter cover x 1 • Terminal cover x 1 • HDMI cable holder x 2, Cable tie x 2 • User's manual CD (safety guide ⁹) • Operating guide ⁴ • Network guide ⁴ • Instant stack guide ⁴ • Technical guide ³ • Software license agreement ⁴ x 1 • Setup guide ² x 1				
	optional	• Replacement lamp (003-005336-01)	• Replacement lamp (003-005336-01)	• Replacement lamp (003-005337-01)	• Replacement lamp (003-005336-01)	• Replacement lamp (003-005337-01)
		• Optional wireless dongle (USB) (121-116109-XX) • Mount (108-506102-XX) • Cable cover for white models (121-133108-01) • Cable cover for black models (121-132107-01) • Replacement filter: 20,000hr (003-005339-01)				
Power requirements	operating voltage	• 100-120 VAC • 220-240 VAC @ 50/60Hz				
	consumption	• 580W + 10% or less at 100-120 VAC • 560W + 10% or less at 220-240 VAC			• 600W + 10% or less at 100-120 VAC • 580W + 10% or less at 220-240 VAC	• 580W + 10% or less at 100-120 VAC • 560W + 10% or less at 220-240 VAC
	operating current	• 5.9A +10% or less at 100-120 VAC • 2.9A +10% or less max at 220-240 VAC			• 6.0A +10% or less at 100-120 VAC • 3.0A +10% or less max at 220-240 VAC	• 5.9A +10% or less at 100-120 VAC • 2.9A +10% or less max at 220-240 VAC
	dissipation	• 1,979 BTU/hr (100-120 VAC) • 1,911 BTU/hr (220-240 VAC)			• 2,047 BTU/hr (100-120 VAC) • 1,979 BTU/hr (220-240 VAC)	• 1,979 BTU/hr (100-120 VAC) • 1,911 BTU/hr (220-240 VAC)
Physical specs	size	• (LxWxH) 18 x 19.6 x 6.7" (456 x 498 x 170mm) without feet at min height position				
	shipping size	• (LxWxH) 22.1 x 27.7 x 12.4" (561 x 703 x 314mm)				
	weight	• 24.5lbs (11.1kg) without lens				
	shipping weight	• See website				
Operating environment	noise	• Typical mode: 40dBA • Eco mode: 32dBA				
	operating temperature	• Normal: 32-104°F (0-40°C) • Eco: 32-113°F (0-45°C)				
	altitude	• 0-10,000ft (3048m)				
	humidity	• 10-85% non-condensing				
Key features		• Single lamp • 3G-SDI (LWU701i-D only) • Blending and warping • Camera-based, easy blend and warp with included software • Collaboration software included • Portrait capable • 360° on axis capable • Christie OneConnect • eClarity • Advanced Color Management • HDCR • Digital image shift technology • HDBT™ • Up to 20,000 hour filter • ILS lens memory • AMX and Crestron connectivity • Wireless capable • Built-in LCD status panel • App management control • DICOM simulation mode • Picture-in-Picture / Picture-by-Picture				
Limited warranty		• Three years parts and labor (including light engine) • Lamp: 500 hours or one year (whichever comes first) • Contact an authorized Christie representative for full details of our limited warranty				

¹ When projecting content through multiple projectors, you will require a USB dongle or network connection for each projector.

² 15 Language (English, French, Spanish, German, Italian, Dutch, Portuguese, Simplified Chinese, Korean, Swedish, Russian, Finnish, Polish, Norwegian, Turkish), ³ English only,

⁴ 14 Language (English, French, Spanish, German, Italian, Dutch, Portuguese, Simplified Chinese, Korean, Swedish, Russian, Finnish, Polish, Norwegian)

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For the most current specification information, please visit www.christiedigital.com



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Printed in Canada on recycled paper. 4163 Jan 16

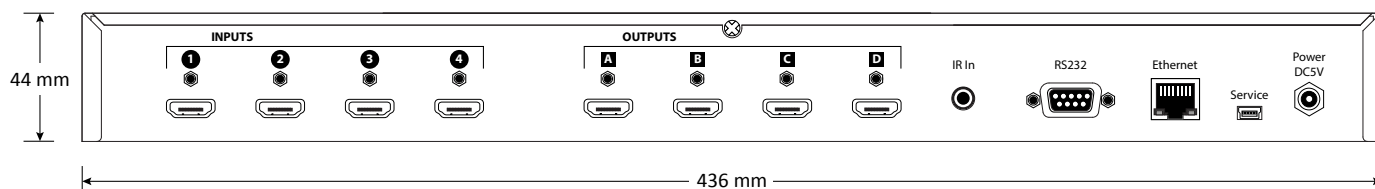
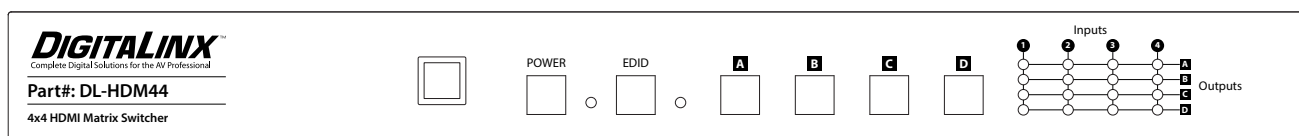
CHRISTIE®

DL-HDM44 Technical Specifications

Four Input to Four Output HDMI Matrix Switcher
Rev 140430

The Digitalinx DL-HDM44 is a four input by four output HDMI matrix switcher. The DL-HDM44 supports up to 4K video resolutions, Deep Color, and 3D video.

The DL-HDM44 can be controlled via front panel buttons, front panel IR, external IR, RS232, and through a web browser when the matrix is connected to a network. The matrix includes a simple IR remote control to allow IR switching. The EDID settings for the matrix, either 1080p with stereo audio or the EDID of the display on Output A, are toggled by a button on the front of the matrix.



I/O Connections	
HDMI Inputs	Four (4) HDMI Type A Receptacle Connector (1 per input)
HDMI Outputs	Four (4) HDMI Type A Receptacle Connector (1 per output)
IR Eye	One (1) 3.5 mm jack (TRS)
5V DC Power	One (1) Threaded Barrel (5.5 mm OD; 2.6 mm ID)
Control, Rear Panel	RS232 via DE-9, TCP/IP via 8P8C, IR via 3.5 mm TRS
Control, Front Panel	Push Button, IR
Supported Audio and Video	
HDTV Video Resolutions	480i, 480p, 576i, 576p, 720p, 1080i, 1080p, 4Kx2K (24, 25, and 30 Hz)
VESA Video Resolutions	Up to 1920x1200
Embedded Audio Compatibility	Up to PCM 5 channel, Dolby Digital TrueHD, and DTS-HD Master Audio
Maximum HDMI Distance	5 m (16 ft)
Compliance	HDMI and HDCP
Chassis and Environmental	
Enclosure	Painted Aluminum
Dimensions	436mm x 167mm x 44mm (17.17 in x 6.57 in x 1.73 in)
Rack Spacing	1 RU
Shipping Weight	1.945 kg (4.3 lbs)
Operating Temperature	0° to +40° C (+32° to +104° F)
Operating Humidity	20% to 90%, Non-condensing
Storage Temperature	-10° to +60° C (+14° to +140° F)
Storage Humidity	20% to 90%, Non-condensing
Power, ESD, and Regulatory	
Power Supply Input	100V-240VAC / 50-60 Hz / 0.5A
Power Supply Output	5VDC / 3.6A
Power Consumption	38 watts (max)
ESD Protection	±8kV (air-gap discharge), ±4KV (contact discharge)
DL-HDM44 Regulatory	CE, RoHS
Power Supply Regulatory	UL, FCC, CE, RoHS
Other	
Warranty	2 years
Diagnostic Indicators	LED output status, power LED, status LED
Included Accessories	Installation Guide, IR Remote, US Power Cable and Power Supply, Two Mounting Brackets, Four Rubber Feet (installed on matrix)

Enzo®

NMX-MM-1000 (FG3211-01)



Overview

Enzo is a content sharing platform built specifically for meeting rooms, classrooms and other collaboration spaces providing instant access to a wide variety of content.

Common Applications

Ideal for use in a huddle room to provide cost-effective presentation and collaboration for smaller spaces. Use in conference rooms for guest presenters to share documents, photos and access internet content stored on their device or in the cloud. Share content in classrooms from a laptop or mobile device among students and teachers.

Features

- **"Instant-On" File and Web Browsing** – Access content stored in the cloud or USB thumb drive files within seconds of entering the room
- **IT Friendly** – Avoids OS updates, viruses and other PC-related maintenance hassles and costs
- **End of Session Data Purge** – Prevents unintended disclosure of confidential information
- **Native NetLinx Device** – Control Enzo using a touch panel and NetLinx controller
- **PoE, Pass-Through Ethernet and Small Form Factor** – Easy to Install
- **Laptop Screen Mirroring using MirrorOp*** – Present content from your Windows or Mac OSX laptop without an AV cable; visit amx.com/mirrorop for details on downloading MirrorOpp Senders app
- **Content Sharing from Smartphones and Tables using MirrorOp*** – Share local content from your mobile device using Enzo connected to a screen
- **Streaming Video Playback** – Watch video content such as television or live presentations streamed from an AMX H.264 Encoder over a private network
- **Supported by RPM** – Enables one-click launch of a custom Enzo session

*MirrorOp is the industry leading technology for wireless mobile content sharing

Specifications

GENERAL	
Dimensions (HWD)	1 3/8" x 5 13/16" x 3 1/4" (34.80 mm x 147.32 mm x 83.41 mm)
Weight	1.1 lb (.5 Kg)
Mounting Options	<p>Surface Mount: AVB-VSTYLE-SURFACE-MNT, V Style Single Module Surface Mount Brackets, quantity 2 of 760896, included</p> <p>Rack Mount Adapter: NMX-MM-RKA, Enzo Rack Mount Adapter (FG3211-60), not included</p> <p>The rack mount adapter is designed for use with V Style Rack Mounting Tray (FG1010-720/721) and V Style Rack Mounting Shelf (FG3201-60), not included</p>
Regulatory Compliance	<p>FCC IC CE EN 55022 Class A CE EN 55022 Class B CE EN 55024 CE EN 60950-1 IEC 60950-1 C-Tick UL 60950-1 VCCI RoHS / WEEE Compliant</p>
Included Accessories	AVB-VSTYLE-SURFACE-MNT, V Style Single Module Surface Mount Brackets, quantity 2 of 760896
Optional Accessories	<ul style="list-style-type: none"> •PS-POE-AF-TC, PoE Injector, 802.3AF Compliant (FG423-83) •CBL-HDMI-FL2 HDMI 4K60 MyTurn-Ready Flat Cable (FG10-2192-16 / 32) •CBL-HDMI-FL, HDMI High Speed Flat Cable with RedMere® Technology (FG10-2180-16) •NMX-MM-RKA, Enzo Rack Mount Adapter (FG3211-60) •AVB-VSTYLE-RMK, V Style Rack Mounting Tray (FG1010-720/721) •NMX-VRK, V Style Rack Mounting Shelf (FG3201-60)

ACTIVE POWER REQUIREMENTS	
Power Consumption	13 W, (Max)
Power over Ethernet	PoE, 802.3AF
Power Indicator	(1) LED (red/green), solid red at start of boot, blinking green during boot, solid green after boot is complete

POWER SUPPLY	
External, Required	<p>NMX-MM-1000 requires the use of a 802.3AF Compliant Power over Ethernet (PoE) Injector or PoE capable Ethernet Switch, not included</p> <p>Enzo is compatible with PS-POE-AF-TC (FG423-83)</p>

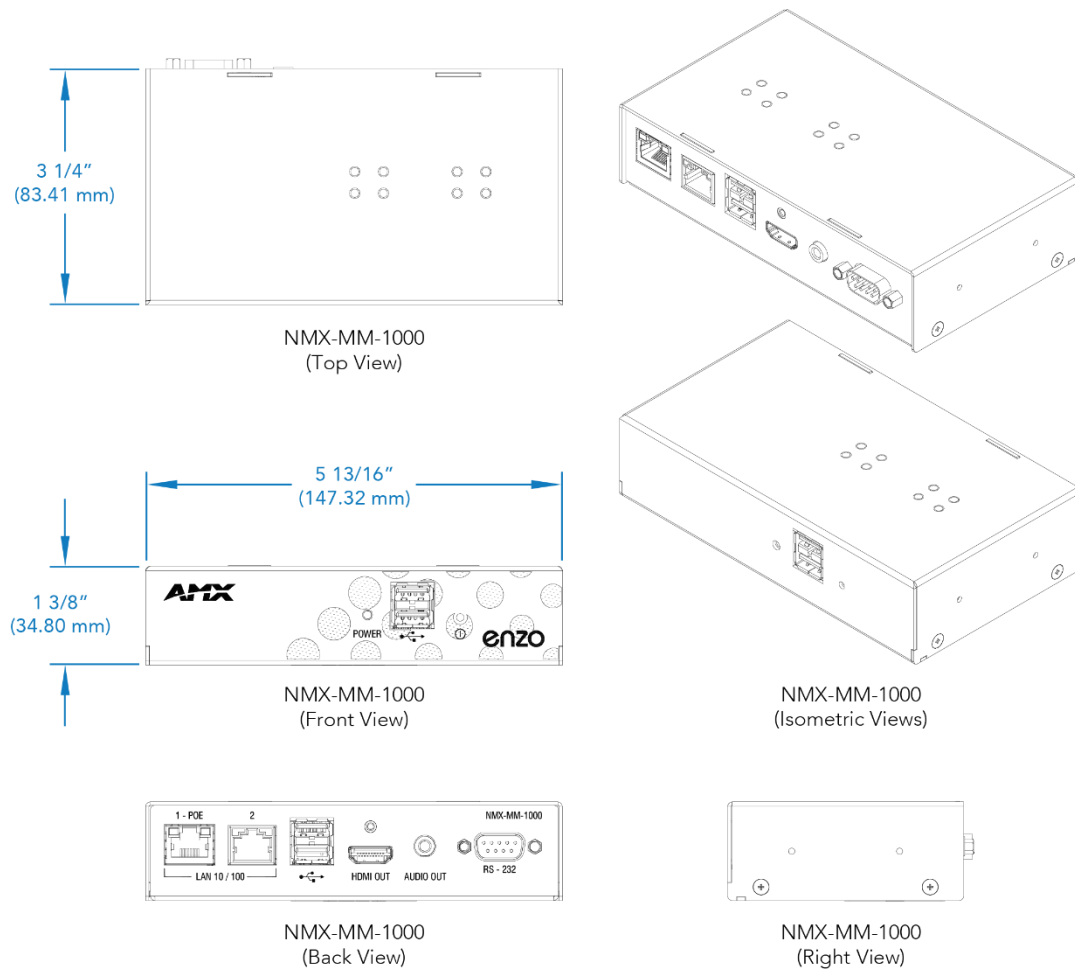
ENVIRONMENTAL	
Temperature (Operating)	0° C to 40° C (32° F to 104° F)
Temperature (Storage)	-20° C to 70° C (-4° F to 158° F)
Humidity (Operating)	5% to 85%, non-condensing

CONTROL	
NetLinx	Master Code: URL, Auto, Listen ICSP Security: Yes
RS-232	(1) DB-9 Male Supported Baud Rates 150 to 115,200 Used to control display
Operation Button	Quick press: Sleep Press-and-hold: System Settings

FUNCTIONAL CAPABILITIES	
Management Interface	On-screen configuration
NetLinx	On-Screen Keypad: Number of buttons, 12 Number of text rows, 3 Note: Control can be disabled
Supported Documents	Office: .doc, .docx, .xls, .xlsx, .ppt, .pptx, .pdf
Supported Document Sources	Dropbox USB Drive (only one can be connected to Enzo at a time) Web Browser Note: Document sources can be disabled
Supported Document Sharing	Email (all sources) Dropbox (Dropbox documents only) Note: Email document sharing can be disabled
Supported Images	.png, .jpg, .bmp, .gif
Supported Videos	.mp4 with H.264 video and AAC audio
Email	SMTP with SSL or TLS encryption Note: Email can be disabled
Maximum Number of Web Applications Supported	TBA
Supported Web Browser	Chromium-based web browser that supports HTML5. Plug-ins, including Flash, are not supported. Note: Web browsing can be disabled
Wallpaper	Supported Formats: .png Resolutions: any, 1920 x 1080 preferred Customizable: Can select a single wallpaper applied to all Enzo pages EXCEPT for start session page
Included Applications	Browser, MirrorOp Receiver
Maximum Number of Application Favorites on Home Screen	4
Screen Mirroring	<ul style="list-style-type: none"> •Technology: MirrorOp •Maximum Number of Connected Senders: 32 •Number of Senders on Screen Simultaneously: 1 (Note: Some MirrorOp Senders allow up to four Senders to be shown simultaneously)

	<ul style="list-style-type: none"> •Supported Sender Clients: Windows 7 & 8, Mac OS X, Apple iOS, Android •Frame Rate (Windows and Mac OS X): TBA
MEMORY	
RAM	2 GB
Flash	16 GB, (12 GB user accessible)
HDMI	
Output Connection	(1) HDMI Type A Female
Output Signal Type Support	HDMI
Output Resolution	720p, 1080p
ANALOG AUDIO	
Output Connection	(1) 3.5 mm stereo audio jack
Output Level (Max)	1 Vp-p into 10 kOhms
Output Impedance	200 Ohms
ETHERNET	
Connection	(2) RJ-45, Auto MDI/MDI-X
Description	10/100 BASE-T
Link/Act Indicator	(1) LED (green), on for link, blink off for activity
Speed Indicator	(1) LED (yellow), on for 100 BASE-T, off for 10 BASE-T
Note	Integrated 2 port Ethernet switch allows a connection to PoE (power and network), along with an auxiliary connection for another device to the network drop in the room
USB	
Connection	(4) USB 2.0 Type A Connect USB drive to display documents Connect keyboard and mouse
+5 V Current Output (Max)	4 W total across all USB connections
Wireless Keyboard & Mouse	Supports 2.4 GHz RF wireless keyboard and mouse using wireless dongle (not included) Note: Does not support Bluetooth keyboard and mouse

For a more detailed pictorial drawing please visit: <http://www.amx.com/products/NMX-MM-1000.asp>



About AMX by HARMAN

Founded in 1982 and acquired by HARMAN in 2014, AMX® is dedicated to providing AV solutions for an IT World. AMX solves the complexity of managing technology with reliable, consistent and scalable systems comprising control, video switching and distribution, digital signage and technology management. AMX systems are deployed worldwide in conference rooms, classrooms, network operation/command centers, homes, hotels, entertainment venues and broadcast facilities, among others. AMX is part of the HARMAN Professional Group, the only total audio, video, lighting, and control vendor in the professional AV market. HARMAN designs, manufactures and markets premier audio, video, infotainment and integrated control solutions for the automotive, consumer and professional markets. Revised 10.19.15 ©2015 Harman. All rights reserved. Specifications subject to change.

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A detailed report on Outreach activities, as listed on the agenda, will be provided at the Board meeting.

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, SEPTEMBER 13, 2016:

A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, September 13, 2016, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:00 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Marco Henriquez, Chair
Robert Alvarado, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Matt Knudson, Assistant General Manager
Mike Williams, Finance Manager
Jennifer Emery, Human Resources Director
Mike McNutt, Public Affairs & Sustainability Dir.
Dennis Hoffmeyer, Accounting Supervisor
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
0 members of the public

2) Adoption of Agenda.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments.

There were no public comments.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held August 9, 2016.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held August 9, 2016, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of July, 2016. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of July, 2016, including the increase of funds due to interest earnings and assessments received and stated that \$234,000 in capital improvement fees was received. He then provided an overview of the cash flow statement for July, anticipated bond payments, and the year-ending cash balance followed by discussion of the maturity of several investment accounts and the District's reserve goal of \$16,000,000 in year-end cash and the water rate adjustments and steps needed to achieve this goal.

General Manager LaMoreaux then provided an overview of the tracking of capital improvement fees and the capital improvement fee debt of \$11,000,000 owed the District's general fund.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for July, 2016. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending July, 2016; stated that most departments are operating at or below the targeted expenditure percentage of 58%; and then reviewed department line items above the targeted expenditure percentage followed by discussion of anticipated payments, increased water sales for July, and the increased cost of chemicals.

4.4) Discussion and Overview of Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson reviewed the projects and payments included in the updated committed contracts schedule and then provided an update on the Water Revenue Series 2013A Bond funds.

4.5) Discussion and Overview of Meter and Pipeline Inventory. (Committee Member Alvarado)

Assistant General Manager Knudson stated that the District's inventory includes various sized meters and pipes and that this inventory will be stocked to meet the minimum requirements included in the District's Emergency Response Plan.

4.6) Discussion and Overview of the District's Internship Program, the Accomplishments of This Program, and Increasing This Program for 2017. (Committee Member Alvarado)

Human Resources Director Emery provided an overview of the successes of the District's existing Internship Program and adding to this program through a Return-to-Work Grant Program and stated that funding for expanding the Internship Program will be presented through the budget process and more education-based internships may be proposed in the next several years.

4.7) Discussion and Evaluation of Key Points and Items for Inclusion in 2017 Budget. (Finance Manager Williams)

Finance Manager Williams reviewed important factors and items of consideration for the 2017 budget process including projected expenses, proposed revenue, deferred capital projects brought forward from the 2016 Budget, carryover from the committed 2013A Water Revenue Bonds, the long-term vehicle lease, maintaining the debt service coverage, and the timeline for completion and adoption of the 2017 Budget.

4.8) Discussion and Possible Action on Long Term Financial Planning and Adoption of Remaining Three Years of Approved Proposition 218 Water Rate Plan to Ensure Future Water Rate Stability and Long-Term Water Sustainability Projects to Meet Current and Future Water Demands. (Assistant General Manager Knudson/Finance Manager Williams)

Assistant General Manager Knudson stated that this item was discussed in detail at the Financial Planning Workshop including the goals that can be accomplished by implementing a 4.25% water rate adjustment for each of the next three years, which is less than the 5.5% amount approved in the Water Rate Plan through the Proposition 218 process; that the draft Resolution has been revised to address comments received at the Financial Planning Workshop; and that staff is requesting the Committee's approval to present the proposed Resolution to the full Board for consideration and support.

Financial Advisor Egan then stated that increased expenses, including the Internship Program, clearly show the need for a water rate adjustment to avoid a deficit situation and expenses and increased programs cannot be offered without budget

availability; that staff's recommendation keeps rates on an even level; and that management has done well to maintain expenses near 2006-2007 levels.

Public Affairs & Sustainability Director McNutt then stated that Rosamond Community Services District is considering a rate increase three times that proposed by staff.

General Manager LaMoreaux then stated that staff's proposal goes beyond meeting normal operations and also meets future debt service for funding for the Palmdale Regional Groundwater Recharge & Recovery Project and Littlerock Sediment Removal Project and that language proposed in the Resolution provides direction to staff to perform an analysis of whether or not rates can be reduced from the 4.25% as part of each year's budgeting process and that this analysis will first be presented to the Finance Committee and then to the full Board followed by discussion of additional detail to be included in the proposed Resolution.

Presenting this item to the full Board for consideration and conducting an additional Financial Planning Workshop were then discussed, and it was determined that an additional Financial Planning Workshop be held to provide the Board with additional detail on the proposed Resolution.

4.9) Consideration and Possible Action on Request for Proposals for Hiring an Outside Consultant to Determine Additional Cost Reductions for the District. (Chair Henriquez)

Finance Manager Williams requested the Committee review the draft Performance Audit Request for Proposals and provide input and direction to staff so the Request for Proposals can be finalized prior to the next Committee meeting and presented to the full Board for consideration.

4.10) Consideration and Possible Action on Proposal Received From TruePoint for Updating the District's Customer Information System. (\$180,000.00 – Budgeted – Finance Manager Williams)

Finance Manager Williams provided a brief overview of staff's recommendation to accept a proposal from TruePoint for updating the District's Customer Information System, and after a brief discussion of the proposal, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all

members of the Committee present at the meeting that the Committee concurs with staff's recommendation to accept the proposal from TruePoint for updating the District's Customer Information System and present same to the full Board for consideration.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the Debt Service Coverage looks good at this time.

5.2) Status on Refunding 2012 Installment Purchase Agreement and a Portion of the 2013A Water Revenue Bonds. (Finance Manager Williams)

Finance Manager Williams stated that Resolutions for the refunding will be presented to the full Board for consideration at tomorrow night's Board meeting; that a conference call is scheduled for Thursday regarding the District's credit rating; and that if the Resolutions are approved and a 5% minimum savings can be achieved, the bond sale will proceed.

5.3) Other.

There were no other information items.

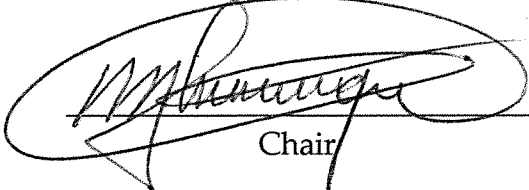
6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held October 6, 2016 at 4:00 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:40 p.m.


Chair

PALMDALE WATER DISTRICT

BOARD MEMORANDUM

DATE: October 19, 2016

October 26, 2016

TO: BOARD OF DIRECTORS

Board Meeting

FROM: Mr. Dennis D. LaMoreaux, General Manager

RE: *AGENDA ITEM NO. 8.2 – October, 2016 General Manager Report*

The following is the October report to the Board of activities through September, 2016. It is organized to follow the District's six strategic initiatives adopted for 2016 and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



Water Resource Reliability

2015 Urban Water Management Plan, drought response
Palmdale Regional Groundwater Recharge & Recovery Project
Littlerock Reservoir Sediment Removal Project
Recycled water allocation and use



Organizational Excellence

Maintain formal management/supervisor training and development program
Maintain competitive compensation and benefits package
Employee wellness program; Succession planning
Board/staff events to develop innovative ideas and awards



Systems Efficiency

Water system Master Plan update and related EIR
Reinvestment in aging infrastructure
Investment, implementation, and training plan for new technology
Computerized maintenance management software (CMMS)



Financial Health and Stability

Pursue Federal and State funding opportunities
Sustainable and balanced rate structure
Maintain adequate reserve levels
Maintain high level bond rating



Regional Leadership

Create a regional best practices Antelope Valley partnership
Enhance community partnerships and expand school programs in water education
Emphasize the importance and long history of the District as a community asset
Continue to evaluate District internship needs



Customer Care and Advocacy

Customer Care accessibility through automation
Evaluate, develop, and market additional payment options
Improve customer account management tools
Enhance customer experience through assessment of infrastructure, processes, and policies to maximize the customer care experience

This report also includes charts that show the effects of the District's efforts in several areas. They are now organized within each strategic initiative and include status in complying with the State Water Resources Control Board's (SWRCB) conservation emergency orders, 20 x 2020 status, the District's total per capita water use trends, 2016 water production and customer use graph, mainline leaks, and the water loss trends for both 12 and 24 month running averages.

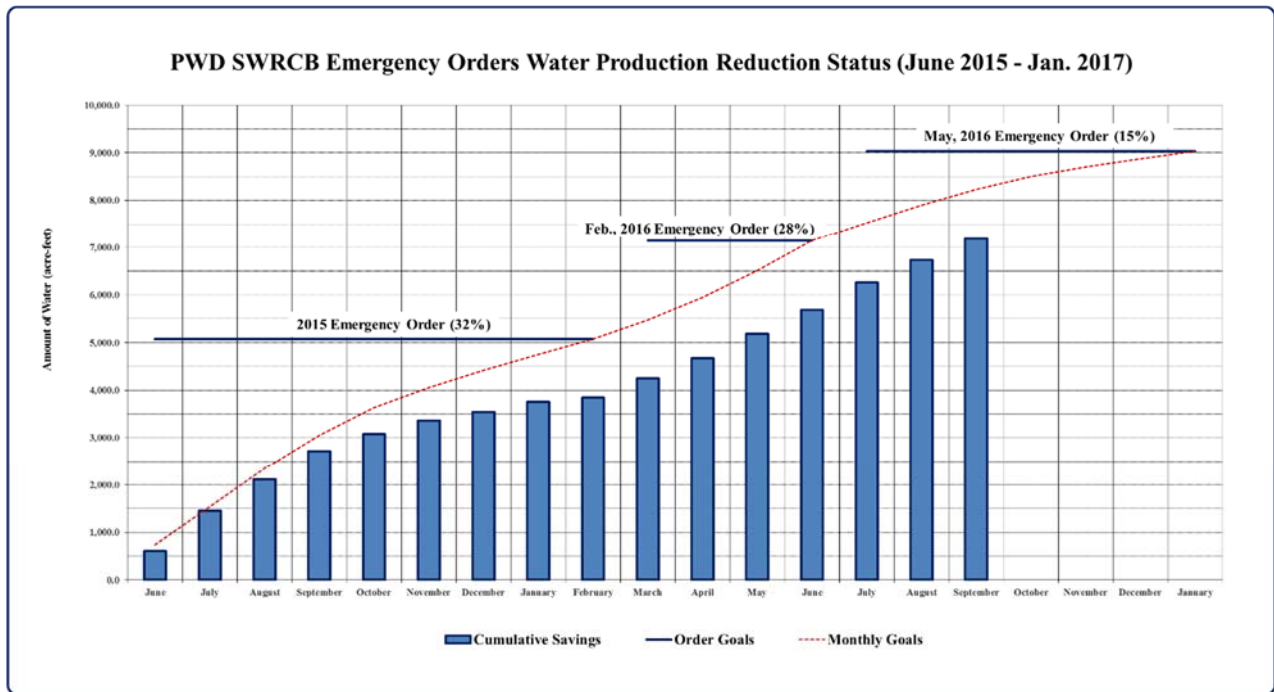


Water Resource Reliability

This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

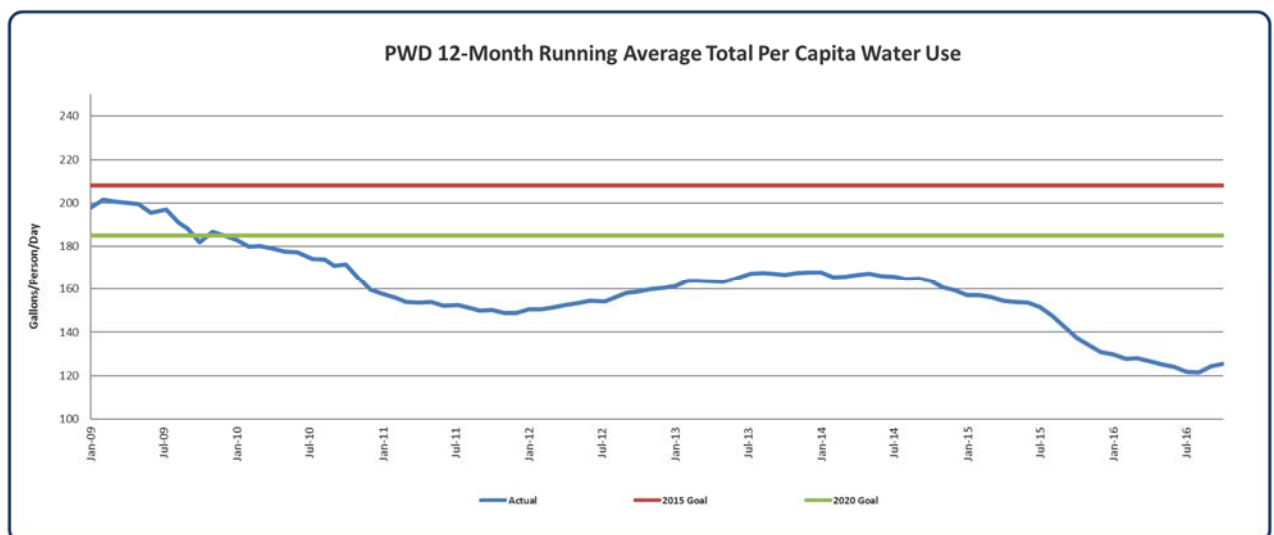
2015 and 2016 SWRCB Emergency Drought Orders

- The District customers' cumulative water saving from June, 2015 to the end of September, 2016 as compared to 2013 is 23.6%. The September, 2016 numbers alone show a 20.8%, or 458 AF, of savings. The SWRCB's May, 2016 Order shifted conservation goal setting to water agencies. The "self-certification" process is set as using the last three (3) years actual water supplies projected over the next three (3) years versus the anticipated water demands. District staff completed that analysis and recommended a new conservation goal of 15% for the District. This was approved by the Board on July 13, 2016 in Resolution No. 16-8. The resolution also relaxed water use restrictions by removing day restrictions and penalties for water waste by making the first violation a warning rather than a \$50.00 fine. The District's performance with all the SWRCB's Orders is shown in the following graph:



Success of District Customers' Water Conservation Efforts

Our customers have responded extremely well to the District's water conservation programs and emergency drought regulations. The following information shows this in several ways. This is easiest to see in the following chart titled "PWD 12-Month Running Average Total Per Capita Water Use." The current Total-GPCD is 128. The District's customers have actually cut their water use by nearly 45% from the baseline number of 231 and met the 2020 Goal in early 2010. The slight upturn reflects the effect of newly relaxed conservation measures.



The fact that District customers have excelled in water conservation is also shown in the following table titled “Historic R-GPCD Comparison.” It shows that the District’s customers have reached 146 and 130 R-GPCD in August and September, 2016, respectively. Throughout the Emergency Order period starting in June, 2015, they have reduced water use by 42% compared to 2007.

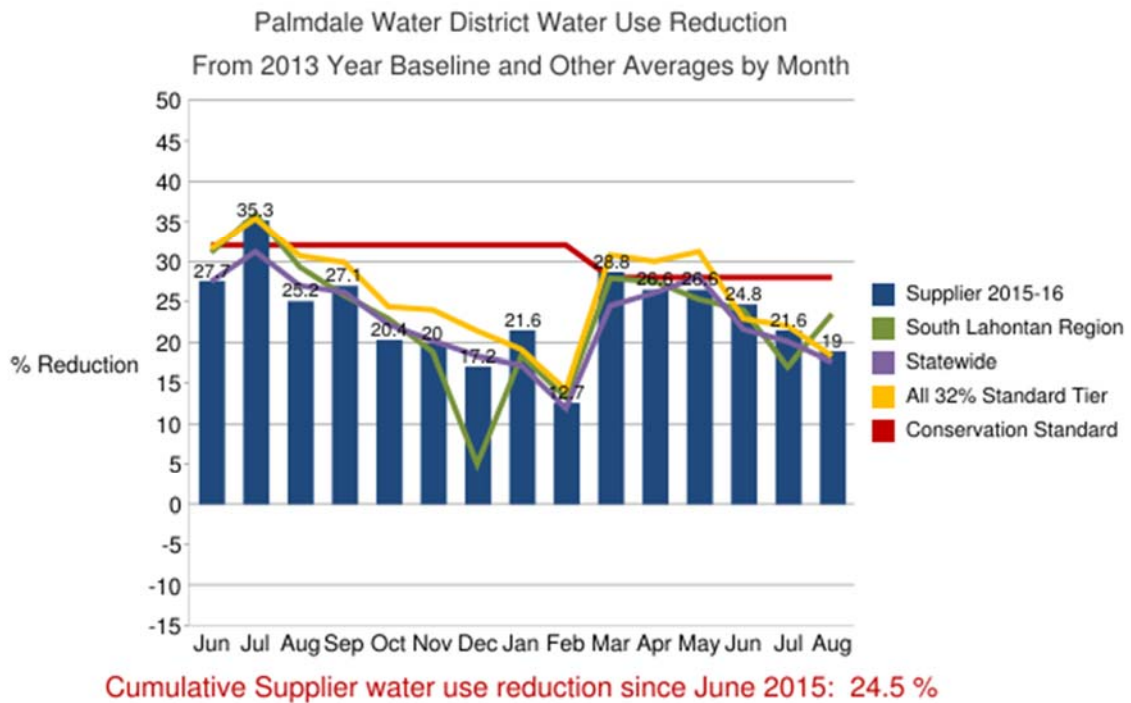
Emergency Order Period	Historic R-GPCD Comparison*					
	2007		2013		2015/16	
	Gallons	% Change	Gallons	% Change	Gallons	% Change
June	239.8	-	170.9	(28.7)	126.3	(47.3)
July	267.6	-	184.7	(31.0)	121.8	(54.5)
August	261.1	-	180.0	(31.0)	133.0	(49.0)
September	198.9	-	164.5	(17.3)	116.2	(41.6)
October	157.7	-	130.2	(17.4)	104.5	(33.7)
November	130.2	-	100.4	(22.9)	77.2	(40.7)
December	88.2	-	80.4	(8.9)	67.1	(24.0)
January	103.8	-	77.1	(25.8)	61.1	(41.2)
February	106.1	-	79.2	(25.4)	70.1	(33.9)
March	144.5	-	105.8	(26.8)	76.3	(47.2)
April	169.3	-	124.4	(26.5)	92.5	(45.3)
May	204.4	-	145.3	(28.9)	108.4	(46.9)
June	239.8	-	170.9	(28.7)	133.6	(44.3)
July	267.6	-	184.7	(31.0)	142.0	(46.9)
August	261.1	-	180.0	(31.0)	146.6	(43.8)
September	198.9	-	164.5	(17.3)	130.3	(34.5)
October	157.7	-	130.2	(17.4)		
November	123.1	-	97.3	(20.9)		
December	81.8	-	68.4	(16.4)		
January	77.3	-	85.0	9.9		
Averages**	189.9		140.2	(24.9)	106.7	(42.2)

Notes: * All R-GPCD Calculated using 2015 Emergency Order Method
% Change is calculated from 2007

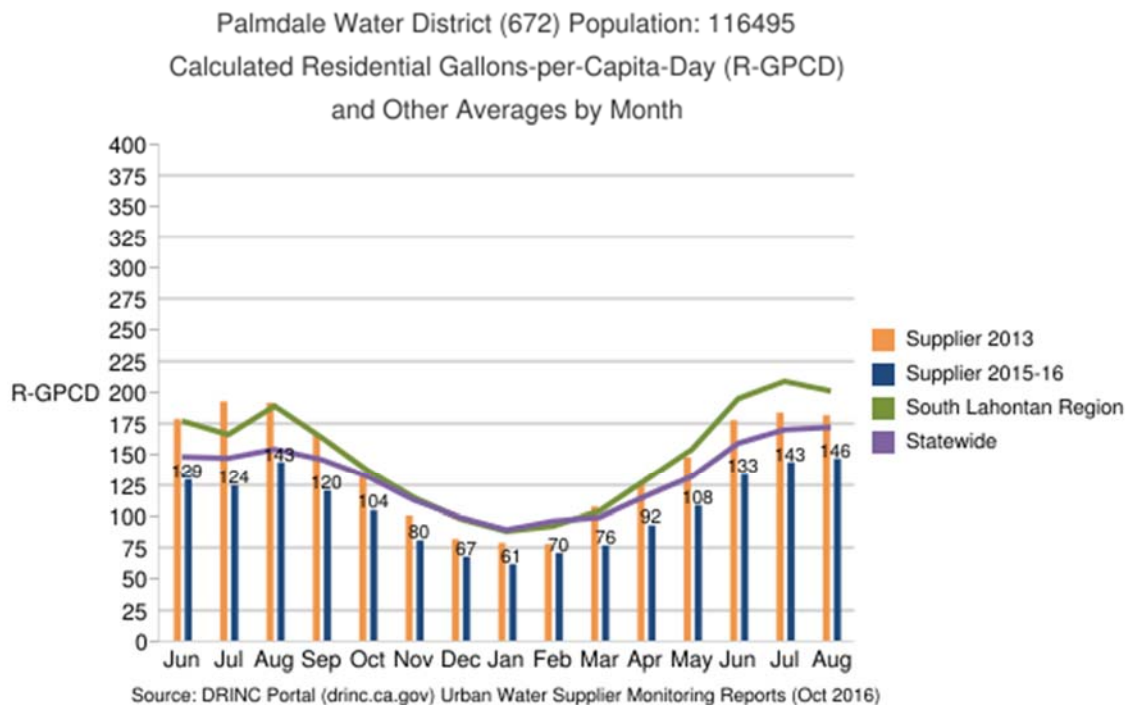
** Months to date only

20% by 2020 12-Month Average Total GPCD Baseline = 231
2015 12-Month Average Total GPCD Goal = 208
2020 12-Month Average Total GPCD Goal = 185
Current 12-Month Average Total GPCD = 128 or 44.6% Reduction

Another way to measure the District’s and our customers’ success in responding to the Governor’s Drought Declaration and the SWRCB’s Emergency Orders is to compare the reduction in water usage and the per capita use with regional water agencies and with the statewide average response. The following graphs are produced by the SWRCB and cover through August, 2016. The first one shows the District’s water use reduction as compared to others in the same reduction group, regional water agencies, and statewide agencies. The District and our customers have done well and above average.



The second graph shows the District's per capita water use as compared to others in the same reduction group, regional water agencies, and statewide agencies. Again, the District and our customers have lower per capita use than the statewide and regional agencies.



Looking at the water use reduction and per capita water use together give the best picture of overall water use efficiency and effort to comply with State drought orders. The following table shows local and regional water agencies, the statewide average, and the District from June, 2015 to August, 2016. As can be seen, our customers have both an average water use reduction and lower per capita use than statewide averages. Only Victorville Water District and the City of Hesperia can also make the same claim. ***It's worth noting that the numbers in red highlight that PWD, Hesperia, and Victorville's R-GPCD in 2013 were below the current numbers for QHWD and LACWWD40.***

Water Use Efficiency Comparison

Agency	Cumulative Savings (June, '15 - Aug., '16)	R-GPCD - August	
		2013	2016
Quartz Hill WD	32.6%	377	284
LA County WWD #40	27.3%	233	183
State Average	23.3%	216	175
PWD	24.5%	182	146
Victorville WD	23.7%	167	135
City of Hesperia	17.2%	138	118

The District will continue informing our customers about the changes in conservation measures. The education will emphasize the current rules for outdoor water usage while also reassuring customers whose water use is within Tier 1, indoor allocation, that they are doing their part. The following table shows the Board of Directors' personal efforts and leadership:

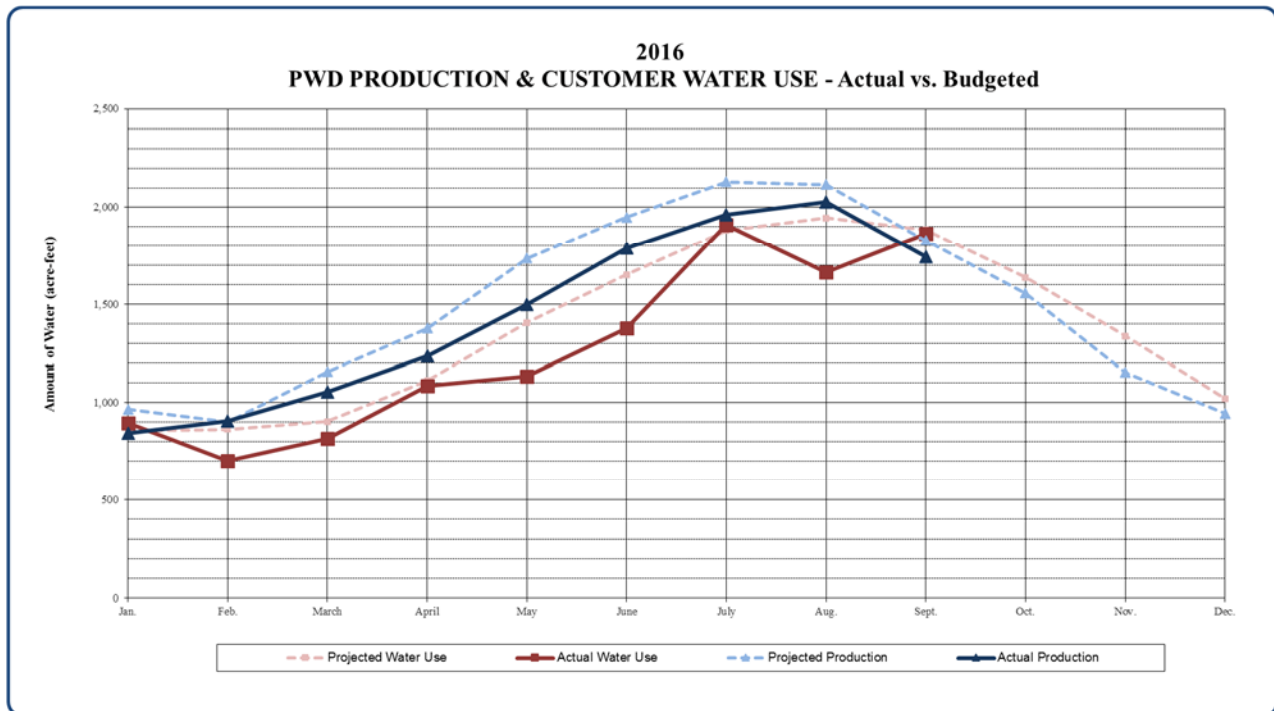
2015 & 2016 Emergency Drought Order Period Water Usage Status of PWD Directors

Division	Director	Tier 1 Comparison			% Change from 2013
		Average Tier 1 (Units/Mo.)	Emer. Order Average (Units/Mo.)	Aver. Within Tier 1?	
1	Alvarado	10	4.2	Yes	-54.2
2	Estes	22	3.5	Yes	-38.8
3	Henriquez	10	5.2	Yes	-15.4
4	Mac Laren	10	7.6	Yes	48.3
5	Dino	10	4.3	Yes	-81.9

2016 Water Supply Information

- The staff has planned water resources for 2016 based on the current State Water Project allocation of 60%.
- Water and Energy Resources staff prepared a plan for 2016 that incorporates available water with the anticipated water usage. The following graph shows January through July actual amounts and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year. This year's

consumption and production pattern appears to be moving back into a more-normal pattern.



Other Items

- The Littlerock Reservoir Sediment Removal Project Draft Environmental Impact Report/Environmental Impact Statement (EIR/EIS) is published in the Federal Register. The public review period ran through the end of June, 2016. Aspen Environmental is now working with the Angeles National Forest on responses to comments received in the process. A final document will be presented to the Board and Forest Service late this year or early next year.
- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13th, and the Notice of Determination was filed on July 14, 2016. Plans for the construction of monitoring wells and a pilot recharge basin are now being finalized and will be advertised for bids soon.



Organizational Excellence

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

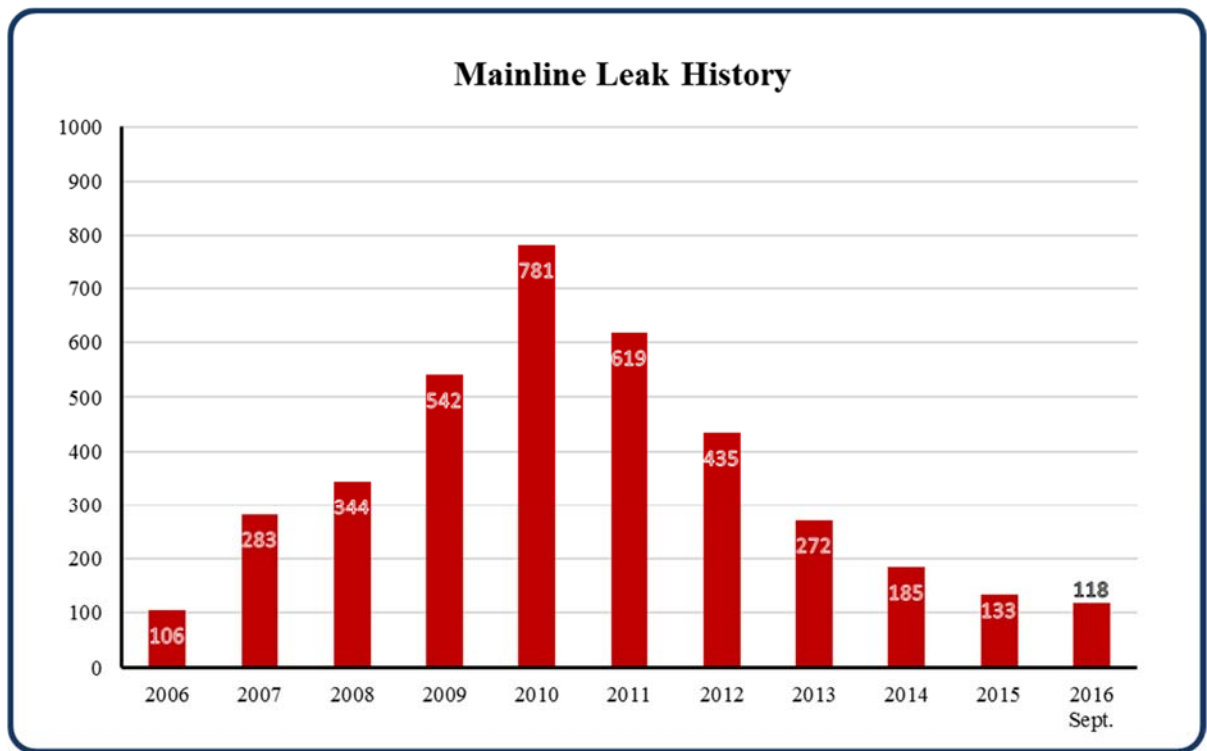
- The transition to electronic time keeping is nearing completion. Final adjustments and testing are being done to ensure a smooth transition.
- The 2016 Strategic Plan Update was approved by the Board at the January 13, 2016 meeting. The board room posters and brochure are now complete. A Spanish translation is being worked on also. These boards will be placed in the board room when they are completed.
- An Ad-Hoc Committee of the Board was formed to meet with community groups and develop any policies needed to help ensure the continued communication with and involvement of the District's customers. An interpreter will be provided upon request for regular Board meetings as an interim policy.
- A proposal is forthcoming from the Mathis Group for department-specific training and then an update of the Organizational Cultural Survey in early 2017. This Survey was previously conducted in 2013 and 2015. The 2015 Survey showed a 66% District-wide improvement.



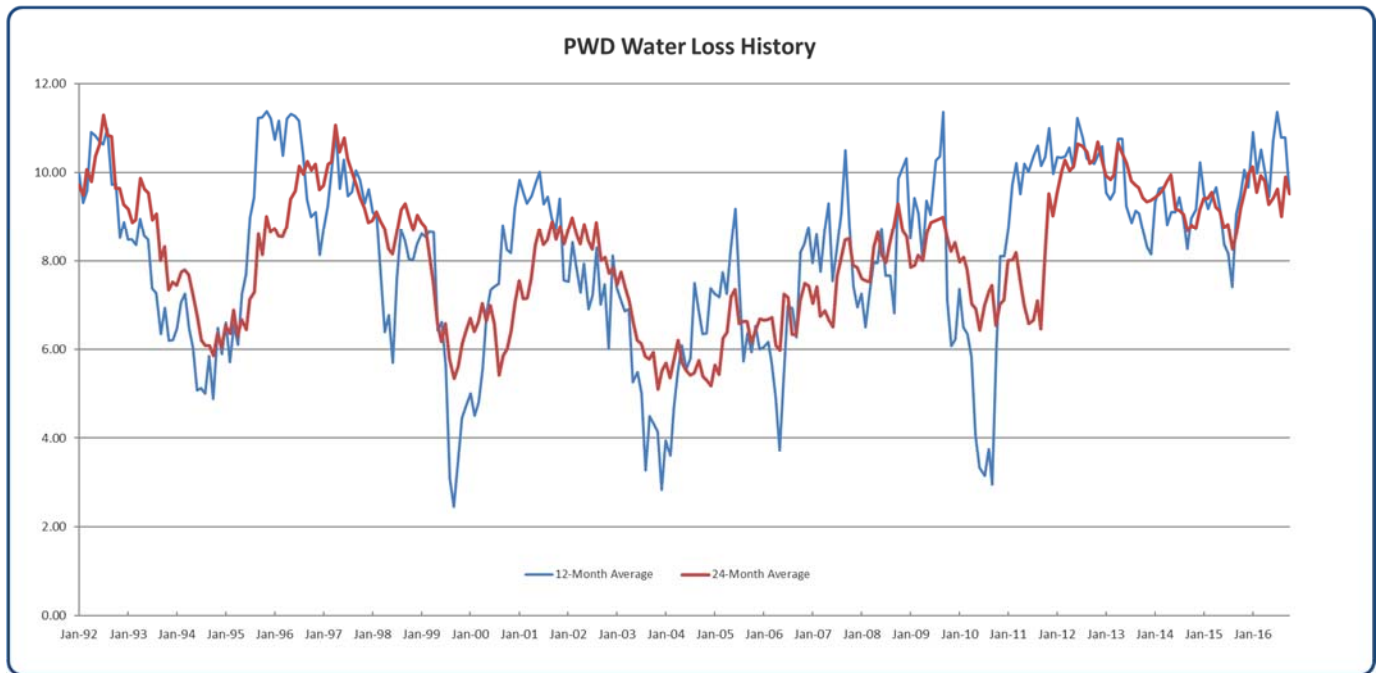
Systems Efficiency

This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of the long awaited security upgrades for the headquarters and maintenance areas is complete. A proposal for additional work is being sought.
- New water main replacement projects are under design within the funds available in the 2016 Budget to continue the District's efforts to maintain the water system. The effects of the District's past efforts in replacing failing water mains can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History." The total for 2015 was slightly above, 133 vs. 106, the numbers for 2006. This is a vast improvement from 2010's number of 781 mainline leaks. 2016 continues well with a total of 118 mainline and 69 service line leaks through the end of September.



- The current replacement project by District staff is under construction in El Camino Drive south of Lakeview Drive. The next project they will work on is Camares Drive.
- This year's meter replacement project of approximately 3,300 meters was awarded at the last Board meeting.
- A replacement project in the area south of Avenue Q near 15th Street East was also awarded at the last Board meeting.
- The effect of both water main and water meter replacement is shown on the chart titled "PWD Water Loss History." The percentage of unaccounted water or water loss is stabilized at approximately 10%.



Financial Health and Stability

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority.
- The Board approved proceeding with the refunding of the 2012 private placement and a portion of the 2013A Revenue Bonds due to the current low interest rates if a 5% savings can be achieved.
- Financial Planning Workshops were held in August and October to look at the District's potential financial requirements over the next several years and to consider setting multi-year rate changes rather than single year changes.
- Staff has begun working on the 2017 Budget. A preliminary budget was discussed with the Finance Committee on October 6, 2016.



Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- There have been a couple meetings with AVEK directors and staff to explore mutually beneficial cooperative projects.
- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- Additional meetings of the Antelope Valley Watermaster Board (AVWB) were recently held with topics including obtaining a recruiter for the Watermaster Engineer and organizing the Advisory Committee. District staff is also working with the AVEK staff as the interim administration for the Watermaster. This is expected to end when the Watermaster Engineer is hired.
- The District successfully held its first Town Hall meeting on October 4, 2016.
- District staff is active in the local chambers and is on the board of the Palmdale Chamber and GAVEA.



Customer Care and Advocacy

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The lobby kiosk is continuing to give customers another choice for making a payment at the District office. It has continued to take increasing amounts of customer payments. Financial staff is looking at the potential purchase of a new kiosk and IVR due to the high transaction processing costs with the current arrangement.
- The option for customers to make payments at 7-Eleven and Family Dollar Store is functioning and allowing customers to make cash payments at those stores. The use of this payment method is also continuing to grow.
- The Customer Care Department is continuing to define its role and find ways to better help customers.