

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

HELD AT CITY OF PALMDALE

CITY HALL COUNCIL CHAMBERS

38300 SIERRA HIGHWAY, SUITE B

PALMDALE, CALIFORNIA

REGULAR MEETING AGENDA NO. 48

MAY 20, 2019

7:00 P.M.

www.cityofpalmdale.org

www.palmdalewater.org

WELCOME

NOTE: Materials related to an item on this Agenda submitted to the Palmdale Recycled Water Authority Board of Directors, or after distribution of the agenda packet, are available for public inspection at the City of Palmdale City Hall, located at 38300 Sierra Highway, Suite A, Palmdale, California, and at the Palmdale Water District, 2029 East Avenue Q, Palmdale, California during normal business hours and will also be available at the meeting. Those items provided by others at the meeting will be available at City Hall during normal business hours.

A three-minute time limit will be imposed on all speakers other than staff members.

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the City of Palmdale Office of the City Clerk at least 48 hours prior to the meeting.

Your courtesy is requested to help our meeting run smoothly. If you'll be kind enough to follow these simple rules, we can make the best possible use of your time and ours:

- Please refrain from public displays or outbursts such as unsolicited applause, comments, cheering, foul language, or obscenities.
- Any disruptive activities that substantially interfere with the ability of the Board of Directors to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Please turn off or mute your cell phones and mobile devices.

1. CALL TO ORDER.

2. PLEDGE OF ALLEGIANCE.

3. ROLL CALL: CHAIR JUAN CARRILLO, DIRECTORS VINCENT DINO, KATHY MAC LAREN, AUSTIN BISHOP AND HELEN VELADOR

4. WAIVER OF FULL READING OF RESOLUTION(S).

Motion: Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting. (Voice Vote - Requires a majority to waive.)

5. **CONSENT CALENDAR – PUBLIC COMMENTS ONLY:** If you wish to comment on any item(s) listed on the Consent Calendar on this agenda, please come forward to the podium and state the item number(s) and your comments. **PLEASE NOTE: A three-minute time limit** will be imposed on each speaker other than staff members.

6. **CONSENT CALENDAR:**

NOTICE: All matters listed under the Consent Calendar will be enacted by one motion unless an item(s) is pulled by the Board, in which case the item(s) will be removed from the Calendar and will be considered separately following this portion of the Agenda.

- 6.1 Approve the Minutes from the previous meeting held on April 15, 2019 (7pm). (Staff Reference: Authority Secretary Smith)
- 6.2 Approve receipt and filing of the Treasurer's Report for the three months ending March 31, 2019. (Staff Reference: Treasurer-Auditor Williams)
- 6.3 Approve receipt and filing of the Investment Report for the quarter ending March 31, 2019. (Staff Reference: Treasurer-Auditor Williams)
- 6.4 Approve Assignment and Assumption Agreement between the City of Palmdale and Palmdale Recycled Water Authority (PRWA), Agreement No. PRWA-010. (Staff Reference: Authority Counsel Ditzhazy)
- 6.5 Approve Consent Agreement for Temporary Delivery Facilities between the Sanitation District and Palmdale Recycled Water Authority (PRWA), Agreement No. PRWA-011. (Staff Reference: Authority Counsel Ditzhazy)

Staff Recommendation: Move to approve the recommendations and findings on all items listed under this Consent Calendar. (Voice Vote - Requires a majority to approve.)

7. ACTION CALENDAR:

- 7.1 Discussion and possible action regarding direction to Palmdale Water District (PWD) and City of Palmdale staff to begin the process of developing a brand, logo, mission statement, etcetera for the Palmdale Recycled Water Authority (PRWA). (Staff Reference: Executive Director LaMoreaux)

There is no staff report for this item

Call for Public Comments

- 7.2 Discussion and possible action regarding a Public Outreach campaign before Phase II construction. (Staff Reference: Executive Director LaMoreaux)

There is no staff report for this item

Call for Public Comments

- 7.3 Discussion and possible action regarding re-establishing a Palmdale Recycled Water Authority (PRWA) website. (Staff Reference: Executive Director LaMoreaux)

There is no staff report for this item

Call for Public Comments

- 7.4 Adoption of Resolution No. PRWA 2019-003. (Staff Reference: Authority Counsel Ditzhazy)

7.4a RESOLUTION NO. PRWA 2019-003, A RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY REPEALING RESOLUTION NO. PRWA 2017-002 AND SETTING FORTH THE PRWA'S REGULAR MEETING DATE, TIME AND LOCATION

Call for Public Comments

Staff Recommendation: Move to adopt Resolution No. PRWA 2019-003. (Voice Vote - Requires a majority to approve.)

8. SPECIAL REPORT

- 8.1 Special report on the status of iBank financing for Phase II Pipeline and Booster Station. (Staff Reference: Executive Director LaMoreaux)

There is no staff report for this item

- 9. NON-AGENDA ITEMS - PUBLIC COMMENTS:** This portion of the Agenda allows an individual the opportunity to address the Board of Directors on any subject regarding Palmdale Recycled Water Authority business. Under state legislation, no action can be taken on items not specifically referenced on the Agenda. **PLEASE NOTE: A three-minute time limit** will be imposed on each speaker other than staff members.

10. REQUESTS FOR NEW AGENDA ITEMS:

- 11. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.**

- 12. ADJOURNMENT** to June 17, 2019 at 7:00 p.m. at the City of Palmdale City Hall Administration Training Room located at 38300 Sierra Highway, Suite A, Palmdale, California.

Complete packets can be viewed at City Hall, located at 38300 Sierra Highway, Suite A, Palmdale, California; Palmdale Water District, 2029 East Avenue Q, Palmdale, California, and the Main Library, located at 700 East Palmdale Boulevard, Palmdale, California. You can also view the Agenda for the Palmdale Recycled Water Authority on the City's website at www.cityofpalmdale.org or the Palmdale Water District website at www.palmdalewater.org.

Thank you for attending your Palmdale Recycled Water Authority meeting. If you have any further questions, please contact the Secretary's Office at (661) 267-5151, Monday through Thursday, 7:30 a.m. to 6:00 p.m., closed every Friday.

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: May 13, 2019 May 20, 2019
TO: BOARD OF DIRECTORS Board Meeting
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO 6.2 – TREASURER’S REPORT FOR MARCH 2019

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends the Board of Directors to receive and file the Treasurer’s Report for the three months ending March 31, 2019.

Background:

To comply with provisions required by Section 4.13 of the Joint Powers of Authority Agreement and responsibilities of Treasurer, a Financial Report is prepared and submitted to the Board of Directors who certifies the availability of funds for the reports presented. These reports are hereby submitted to the Board of Directors for ratification.

Financial Impact:

As of March 31, 2019, the PRWA has \$1,533,729.40 in cash and investments. PRWA earned \$1,618.50 in interest, received \$3,110.90 in receivables, and there were \$30,067.78 in expenses and fees paid for the month.

Supporting Documents:

Treasurer’s Report for month ending March 31, 2019.
Balance Sheet for period ending March 31, 2019.
Income Statement for period ending March 31, 2019.

**Palmdale Recycled Water Authority
Treasurer's Report
Month Ended March 28, 2019**

Cash/Funds Available and held at Bank of America, Citizens Business Bank, & UBS Financial Svcs:	
Bank Balance, beginning March 1, 2019	1,559,067.78
Less: Expenses Paid	(5,363.00)
Less: Bank Fees Paid (Analysis Fees & Credit Card Processing)	(52.65)
Add: Deposits Made	3,110.90
Add: Interest Earned & Market Adjustment on Investments	1,618.50
Add: Deposit in Transit	-
Outstanding Check (Ledger Tie-Out)	(24,652.13)
Bank Balance, ending March 31, 2019	1,533,729.40
Less: Accounts Payable	-
Less: Accrued Purchases	(7,012.20)
Less: Accrued Payroll Taxes	-
Less: Deposits - Customer	(4,000.00)
Add: Accounts Receivable	692.81
Add: Interest Receivable	-
Adjusted Bank Balance, ending March 31, 2019	1,523,410.01

Outstanding Checks (Prior Month(s)):

March Checks Issued:

Allied World Assurance Company - Liability Insurance	5,363.00
Deposit Refund - Power Washing of Yuma, Inc.	1,242.79
Deposit Refund - Henkels & McCoy Group	1,362.61
Sanitation Districts of L.A. County - Water Purchase FY2017/18	22,046.73
Total Checks Issued	<u>30,015.13</u>

Palmdale Recycled Water Authority
Balance Sheet
For the Three Months Ending 3/31/2019

	<u>YTD</u>
ASSETS	
UBS- Investmetn Funds	\$1,007,494
Bank of America - Checking	\$40,671
Citizens Business Bank - Checking	\$485,565
Prepaid Memberships	
Prepaid Insurance	5,363
Accounts Receivable	
- Water	693
- Government Agency	
Interest Receivable	
Property, Plant and Equipment, net	<u>1,789,137</u>
Total Assets	<u><u>\$3,328,922</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Accounts Payable	
Accrued Expense	7,012
Deposits - Customer	<u>4,000</u>
Total Liabilities	<u>11,012</u>
FUND BALANCE	
Unassigned	<u>3,317,910</u>
Total Fund Balance	<u>3,317,910</u>
Total Liabilities and Fund Balance	<u><u>\$3,328,922</u></u>

**Palmdale Recycled Water Authority
Income Statement - Current and YTD
For the Three Months Ending 3/31/2019**

	<u>March</u>	<u>YTD</u>
REVENUES:		
Contributions - Palmdale Water District		
Contributions - City of Palmdale		
Grant Funds		
Water Sales	1,840.20	4,466.52
Interest Earnings	663.52	1,686.72
Market Adjustment on Investments	954.98	2,694.60
Total Revenue	\$3,458.70	\$8,847.84
EXPEDITURES:		
General Government		
Public Representative - Payroll Tax Expense (Employer)		11.48
Public Representative - Travel & Meeting		150.00
Banking Fees	52.65	259.54
Provision for Bad Debt		
Insurance	527.00	1,581.00
Memberships		3,129.75
Operating Supplies		
Marketing & Outreach		
Travel & Meeting		
Permits & Fees		
Utilities - Purchased Water		
Materials & Supplies		
Maint. & Repair - Water System		
	<u>\$579.65</u>	<u>\$5,131.77</u>
Public Resource		
Contracted Services - Professional Svcs		
Contracted Services - Audit		
	<u>\$579.65</u>	<u>\$5,131.77</u>
Non-Cash Operating Expense		
Depreciation	4,450.59	13,351.77
Non-Operating Revenue		
Capital Contribution		
	<u>(\$4,450.59)</u>	<u>(\$13,351.77)</u>
Change in Net Position	<u>(\$1,571.54)</u>	<u>(\$9,635.70)</u>
Net Position - Beginning of Year		3,327,545.72
Net Position - End of Year	<u>(\$1,571.54)</u>	<u>\$3,317,910.02</u>

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: May 13, 2019 May 20, 2019
TO: BOARD OF DIRECTORS Board Meeting
FROM: Michael Williams, Treasurer-Auditor, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO 6.3 – INVESTMENT REPORT FOR QUARTER ENDING
MARCH 31, 2019

Recommendation:

Palmdale Recycled Water Authority (PRWA) staff recommends to the Board of Directors to receive and file the Investment Report for the quarter ending March 31, 2019.

Background:

To comply with provisions of California Government Code 53646, the attached investment report includes a complete description of the portfolio, the type of investments, the issuers, maturity dates, par values and the current market values of each component of the portfolio, including funds managed for the Authority by third party contracted managers. The report is hereby submitted to the Board of Directors for ratification.

Financial Impact:

As of March 31, 2019, the PRWA has \$111,487.14 in cash, \$600,000 in U.S. Treasury Bill and \$300,000 in Certificates of Deposits with UBS Investment Services.

Supporting Documents:

Investment Report for quarter ending March 31, 2019

PALMDALE RECYCLED WATER AUTHORITY

March 31, 2019

INVESTMENTS

March 2019

UBS Money Market Account (SS 30999)

Cash	\$111,487.14
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US Government Securities

CUSIP #	Issuer	Maturity Date	Rate	PAR	Market Value
912828543	US Treasury Bill	07/15/2019	0.750	\$300,000	\$298,488.00
912796SG5	US Treasury Bill	09/05/2019	2.325	300,000	296,595.52
				<u>\$600,000</u>	<u>\$595,083.52</u>

Certificates of Deposit

	Issuer	Maturity Date	Rate	Face Value	
1	Bankers Bank	04/22/2019	1.250	150,000	149,631.00
2	US Bank	08/27/2019	2.350	150,000	149,884.50
				<u>\$300,000</u>	<u>\$299,515.50</u>
				Acct. Total	<u>\$1,006,086.16</u>

Accrued interest

\$1,407.37

TOTAL CASH AND INVESTMENTS	<u>\$1,007,493.53</u>
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PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: May 15, 2019 May 20, 2019
TO: BOARD OF DIRECTORS Board Meeting
FROM: Noel Doran, Assistant Authority Attorney, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 6.4 – APPROVE ASSIGNMENT AND ASSUMPTION
AGREEMENT BETWEEN THE CITY OF PALMDALE AND THE PALMDALE
RECYCLED WATER AUTHORITY, AGREEMENT NO. PRWA-010

Recommendation:

Staff recommends the Board approve the Assignment and Assumption Agreement

Background:

On September 26, 2012, the City of Palmdale and the Palmdale Water District entered into a Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority to “among other things, jointly study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Los Angeles County Sanitation District Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities and irrigation systems.” In joining forces, the City of Palmdale and the Palmdale Water District agreed to use existing and future resources to promote a recycled water system in the city of Palmdale and surrounding areas. The City of Palmdale pledged to transfer to the newly created Authority its existing contract with Los Angeles County Sanitation Districts Nos. 14 and 20 to purchase up to 2,000 acre-feet of recycled water, dated July 1, 2009. The attached Assignment and Assumption Agreement (PRWA-010) assigns the rights and obligations of this agreement to the Palmdale Recycled Water Authority, while establishing a City priority to purchase or allocate 400 acre-feet for future projects.

Financial Impact:

The Authority would receive the right to purchase 2,000 acre-feet of recycled water which could be sold to recycled water consumers.

Supporting Document(s):

Assignment and Assumption Agreement (PRWA-010)

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (“**Agreement**”) is dated May _____, 2019 (the “**Effective Date**”) and is between the **CITY OF PALMDALE**, a California Charter City (“**City**”) and **PALMDALE RECYCLED WATER AUTHORITY**, a public body corporate and politic (the “**PRWA**”). The City and the PRWA are referred to in this Agreement individually as a Party, or collectively as the Parties.

On July 1, 2009, County Sanitation District Nos. 14 and 20 of Los Angeles County (the “**Districts**”) and the City entered into an *Agreement for Purchase and Sale of Recycled Water and Related Facilities – Lancaster Water Reclamation Plant and Palmdale Water Reclamation Plant* (“**Recycled Water Agreement**”). The Recycled Water Agreement governs the provision of recycled water by the Districts to the City, including, among other things, the quantity of water to be purchased by the City annually, the quality of the water, the annual unit price, and payment terms. The Recycled Water Agreement grants to the City an annual entitlement of recycled water not to exceed two thousand (2,000) AFY, subject to the terms and conditions therein.

On September 26, 2012, the City and the Palmdale Water District entered into a Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority (“**PRWA JPA**”). The PRWA JPA created the PRWA to “among other things, jointly study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Los Angeles County Sanitation District Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities and irrigation systems.”

The PRWA was created to manage recycled water produced by the Districts. The Parties intend by this Agreement for PRWA to assume all of the City’s duties under the Recycled Water Agreement.

1. Assignment. The City hereby assigns to the PRWA all of the City’s rights and obligations under the Recycled Water Agreement, subject to Section 3 of this Agreement.
2. Assumption. The PRWA hereby assumes and agrees to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by the City under the Recycled Water Agreement, subject to Section 3 of this Agreement.
3. City Priority. Of the 2,000 AFY allocated to the City in Section 2 of the Recycled Water Agreement, the City reserves the priority option to purchase from PRWA, or allocate its option to purchase, up to four hundred (400) acre-feet of recycled water annually. The City shall provide to PRWA, by January 1 of each year, the projected annual purchases for the following three fiscal years.
4. General Provisions.
 - a. Successors and Assigns. This Agreement will be binding on and inure to the benefit of the Parties, their heirs, executors, administrators, successors in interest, and assigns.

- b. Amendment. Any amendment or modification of this Agreement must be written and properly executed by both Parties.
- c. Authority. The Parties represent that the individuals executing this Agreement have the legal power, right and actual authority to bind that Party to the terms and conditions of this Agreement.

The Parties are signing this Agreement as of the Effective Date.

CITY OF PALMDALE

**PALMDALE RECYCLED WATER
AUTHORITY**

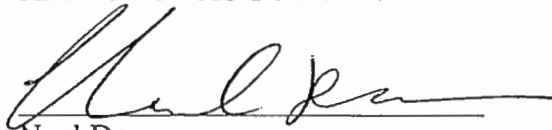
By: _____
James Purtee Date
City Manager

By: _____
Juan Carrillo Date
Chair

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Wm. Matthew Ditzhazy
City Attorney



Noel Doran
Assistant Authority Attorney

ATTEST:

ATTEST:

Rebecca J. Smith
City Clerk

Rebecca J. Smith
Secretary

Pursuant to Section 11 of the Recycled Water Agreement, the Districts hereby consent to the assignment of the City's rights and obligations to the PRWA and the assumption of the City's rights and obligations by the PRWA.

**COUNTY SANITATION DISTRICT NOS. 14 AND 20
OF LOS ANGELES COUNTY**

By: _____
Grace R. Hyde
Chief Engineer and General Manager

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

By: _____
District Counsel

PALMDALE RECYCLED WATER AUTHORITY BOARD MEMORANDUM

DATE: May 15, 2019
TO: BOARD OF DIRECTORS
FROM: Noel Doran, Assistant Authority Attorney, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

May 20, 2019
Board Meeting

RE: AGENDA ITEM NO. 6.5 – APPROVE CONSENT AGREEMENT FOR
TEMPORARY DELIVERY FACILITIES, AGREEMENT NO. PRWA-011

Recommendation:

Staff recommends the Board approve the Consent Agreement for Temporary Delivery Facilities

Background:

The City of Palmdale (the "City") and County Sanitation District Nos. 14 and 20 of Los Angeles County entered into an Agreement for Purchase and Sale of Recycled Water and Related Facilities – Lancaster Water Reclamation Plant and Palmdale Water Reclamation Plant (the "Recycled Water Agreement") effective July 1, 2009. In 2012, the City requested District 20's permission to temporarily locate certain recycled water delivery facilities on the site of the District's Palmdale Water Reclamation Plant ("PWRP"), including a pump and pipelines (the "Temporary Delivery Facilities"). The District granted the City permission to locate the Temporary Delivery Facilities at the PWRP and entered into a Consent Agreement for Temporary Delivery Facilities, effective May 23, 2012.

Pursuant to an Assignment and Assumption Agreement between the Authority and the City, the Authority has taken over the Temporary Delivery Facilities from the City. The attached Consent Agreement for Temporary Delivery Facilities would allow the Authority to keep the Temporary Delivery Facilities at the PWRP until a permanent recycled water distribution system can be constructed.

Financial Impact:

The Authority is required under the Consent Agreement for Temporary Delivery Facilities to pay for the operation and maintenance costs associated with the Temporary Delivery Facilities. These costs are incorporated into the invoices for the purchase of recycled water from the District pursuant to the Recycled Water Agreement.

Supporting Document(s):

Consent Agreement for Temporary Delivery Facilities

CONSENT AGREEMENT FOR TEMPORARY DELIVERY FACILITIES

This Consent Agreement for Temporary Delivery Facilities (“**Consent**”) is dated _____, 2019 (the “**Effective Date**”) and is between **COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES COUNTY**, a county sanitation district organized and existing under the provisions of the County Sanitation District Act, California Health and Safety Code Section 4700, *et seq.* (the “**District**”) and **PALMDALE RECYCLED WATER AUTHORITY**, a public body corporate and politic (the “**PRWA**”). The District and the PRWA are referred to in this Consent individually as a Party, or collectively as the Parties.

The District and the City of Palmdale (the “**City**”), together with County Sanitation District No. 14 of Los Angeles County, entered into an Agreement for Purchase and Sale of Recycled Water and Related Facilities – Lancaster Water Reclamation Plant and Palmdale Water Reclamation Plant (the “**Recycled Water Agreement**”) effective July 1, 2009 (City of Palmdale Agreement No. A-2733; District Contract No. 4486). Pursuant to Section 1.3 of the Recycled Water Agreement, the District’s Chief Engineer and General Manager (the “**Chief Engineer**”), in his or her sole and absolute discretion, may permit some of the City’s recycled water delivery facilities to be located on the site of the District’s Palmdale Water Reclamation Plant (the “**PWRP**”).

Pursuant to Section 1.3 of the Recycled Water Agreement, the City requested in 2012 the District’s permission to temporarily locate certain recycled water delivery facilities on the site of the PWRP, including a pump and pipelines (the “**Temporary Delivery Facilities**”). The District granted the City permission to locate the Temporary Delivery Facilities at the PWRP and entered into an agreement for Consent for Temporary Delivery Facilities, effective May 23, 2012 (City of Palmdale Agreement No. A-3884; District’s Document No. 2275757) (“**2012 Consent**”).

Pursuant to the Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority, dated September 26, 2012, the City and the Palmdale Water District jointly created the PRWA. The PRWA is a separate legal entity from the City and the Palmdale Water District. Pursuant to an Assignment and Assumption Agreement between PRWA and the City, and consented to by the District, the PRWA has taken over the Temporary Delivery Facilities from the City and would like the District’s consent for the Temporary Delivery Facilities to remain at the PWRP until a permanent recycled water distribution system can be constructed.

The District hereby consents to the Temporary Delivery Facilities remaining at the PWRP subject to the following covenants and conditions:

1. Operation and Maintenance; Costs.

The District will continue to operate and maintain the Temporary Delivery Facilities at the PRWA’s cost, pursuant to Section 1.2 of the Recycled Water Agreement. The District will invoice the PRWA on a quarterly basis and the PRWA shall pay the District for all operation and maintenance costs, including electricity costs, pursuant to Section 6 of the Recycled Water Agreement.

2. Term; Termination.

This Consent expires five (5) years after the Effective Date, but may be extended for additional one-year terms upon the mutual written agreement of the Chief Engineer and the Executive Director of the PRWA prior to the expiration of the original term or any extended

term. The District may terminate this Consent without advance notice to the PRWA upon the occurrence of any of the following:

- 2.1 The PRWA's failure to provide adequate insurance or proof of insurance as described below in Section 5; or
- 2.2 The PRWA's breach of any obligation under this Consent or the Recycled Water Agreement.

3. Relocation and Removal of Facilities.

- 3.1 Relocation. Within 90 days after the Chief Engineer provides written notice to relocate the Temporary Delivery Facilities to another location on the District's PWRP property, the PRWA shall relocate the facilities at the PRWA's sole cost.
- 3.2 Removal. Upon expiration of this Consent, the PRWA shall remove all Temporary Delivery Facilities, except any portions of underground pipeline that the District requests to be abandoned in place. If the District terminates this Consent pursuant to Section 2, then the PRWA shall remove all Temporary Delivery Facilities, except any portions of underground pipeline that the District requests to be abandoned in place, within 90 days. If the PRWA fails to timely remove any Temporary Delivery Facilities according to this section, the PRWA will be deemed to have abandoned the Temporary Delivery Facilities, and the District may pursue all remedies available under this Consent at law or in equity.

4. Indemnity.

Except for claims or lawsuits arising out of the District's negligence or willful misconduct, the PRWA shall indemnify the District and each of its officers, directors, agents, employees, and affiliated districts 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, that arise out of or are otherwise related to the design or construction, use and operation of the Temporary Delivery Facilities or are caused by the negligent acts or willful misconduct of the PRWA.

5. Insurance.

At the PRWA's sole expense, the PRWA shall procure, carry, and maintain in full force and effect the insurance coverage described below during all times this Consent is in effect or as long as the PRWA conducts operations or maintains persons or property on the Temporary Delivery Facilities, whichever period is longer. All insurance must be maintained with insurers and under forms of policies satisfactory to the Chief Engineer. The insurance must be written as "occurrence" type policies and must identify the PRWA as the named insured and identify the District as an additional insured, and cover any other persons, firms, or corporations designated by the Chief Engineer (collectively "Insured Parties") in such a manner and at such amounts as set forth below:

5.1 Commercial General Liability Insurance.

- a. The PRWA shall procure, carry and maintain commercial general liability insurance to include coverage for all operations of the Temporary Delivery

Facilities, including, but not limited to the following: (a) premises, operations and mobile equipment liability; (b) completed operations and products liability; (c) blanket contractual liability; (d) explosion, collapse, and underground hazards (XCU); (e) personal injury liability; and

- b. The PRWA shall provide the commercial general liability insurance with limits not less than the following:
 - i. \$3 million each occurrence, or for a combined occurrence of bodily injury and property damage;
 - ii. \$1 million completed operations and products liability; and
 - iii. \$1 million personal and advertising injury.
- c. The PRWA shall provide the policy with an endorsement for a general aggregate limit of no less than \$5 million.

5.2 Property Insurance. The PRWA shall procure, carry and maintain property insurance for the Temporary Delivery Facilities and any related improvements to 100% of their replacement cost, using a standard form fire insurance policy containing the "extended coverage" endorsement.

5.3 Automobile Liability Insurance. The PRWA shall procure, carry, and maintain automobile liability insurance to include coverage for any owned, non-owned, or hired vehicle brought by the PRWA or its agents or other invitees onto the PWRP or the Temporary Delivery Facilities. The automobile liability insurance policy must have limits of not less than \$2,000,000 combined single limits for bodily injury and property damage.

5.4 Workers' Compensation and Employer's Liability Insurance.

- a. The PRWA shall procure, carry and maintain a policy of workers' compensation insurance as required by any applicable law, regulation, or statute. The PRWA must provide employer's liability insurance with limits not less than the following:
 - i. \$1 million each accident;
 - ii. \$1 million disease - policy limits; and
 - iii. \$1 million disease - each employee.
- b. The workers' compensation and employer's liability insurance policy must contain a waiver of subrogation rights against the District. The PRWA shall provide the Chief Engineer with a copy of a certificate reflecting this waiver.

5.5 Evidence of Policies. Before the Effective Date of this Consent, the PRWA shall provide policies, relevant endorsements, and certificates of insurance to the District evidencing that:

- a. The insurance policies referred to in Sections 5.1 through 5.4 are in place.
- b. The Chief Engineer is to receive written notice at least 30 calendar days prior to a policy cancellation or reduction in coverage for any reason. In that regard, PRWA shall not deliver any certificate that simply contains words to the effect that the insurer will "endeavor" to notify the Chief Engineer of the cancellation or reduction of the policy or that "the failure to mail such notice shall impose no obligation of any kind upon the company, its agents or representatives."
- c. An endorsement has been made to the policies naming the District as an additional insured. The endorsement must be duly executed and must be in a form acceptable to the Chief Engineer. The endorsement must also provide that the insurance afforded to the additional insured is primary insurance and that any insurance carried by or afforded to the District, its directors, officers, and employees and other Insured Parties is excess and not contributing to the insurance required by this Consent.
- d. Each of the policies of insurance required by this Consent must contain "Cross Liability" or "Severability of Interest" clauses. No policy may contain any exclusion regarding loss or damage to property caused by explosion, collapse of buildings or structures or damage to property underground, premises-operation, completed operations, contractual insurance, or independent District's coverages. Each of the insurance policies required by this Consent must contain a provision or endorsement stating that that insurance, subject to all of its other terms and conditions, applies to the liability assumed by PRWA under this Consent. Any endorsement must be in a form acceptable to the Chief Engineer.
- e. The PRWA may satisfy minimum coverage amounts listed in Sections 5.1 through 5.4 by a combination of one or more primary insurance policies and umbrella or excess coverage policies on which the PRWA is identified as the named insured and the District is identified as an additional insured. The PRWA may also use those policies in connection with satisfying the requirements of this Section 5.5.

5.6 Insurers. The PRWA shall provide the insurance coverages 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. In the event the coverage evidenced by any such certificate is canceled or reduced, the PRWA shall procure and furnish to the Chief Engineer new certificates of insurance and policies conforming to the above requirements at least 5 days before the effective date of such cancellation. If the PRWA fails to procure and maintain any insurance required by this Consent, the District may procure such insurance and charge the expense to the PRWA or the Chief Engineer may terminate this Consent upon failure of the PRWA to procure such insurance within 48 hours written notice demanding the PRWA do so, at his or her sole discretion. The District's or Chief Engineer's failure to enforce any provision of this Section 5 will not act as a waiver of the PRWA's obligation to procure the required insurance or as a waiver of enforcement of any of the provisions of this Section 5, at a later date. The

District is not obligated to procure or maintain the above required insurance if the PRWA fails to do so. All requirements of this Section 5 apply to the PRWA's contractors and sub-contractors, and the PRWA shall cause all of its contractors and sub-contractors to comply with the provisions of this Section 5 and be responsible to the District for such compliance. The foregoing requirements constitute the PRWA's minimum insurance requirements.

- 5.7 Additional Insurance. The Chief Engineer retains the right at any time to review the coverage, form, and amount of the insurance required by this Consent. If, in the opinion of the Chief Engineer, the insurance provisions in this Consent do not provide adequate protection for the District, the Chief Engineer may require the PRWA to obtain additional insurance sufficient in coverage, form, and amount to provide adequate protection. The Chief Engineer's new requirement will be reasonable, and will be designed to assure protection from and against the kind and extent of the risks that exist at the time a change in insurance is required. The Chief Engineer shall notify the PRWA in writing of changes in the insurance requirements; and if the PRWA does not deposit copies of acceptable insurance with Chief Engineer incorporating such changes within 30 days after receipt of notice, the PRWA shall be in default without further notice to the PRWA, and the District will be entitled to all legal remedies. The procuring of such required policy or policies of insurance will not be construed to limit the PRWA's liability under this Consent nor to fulfill the indemnity provisions and requirements of this Consent.

- 5.8 Waiver and Release. The PRWA waives and releases the District from any damages resulting from any interruption of the PRWA's business, including but not limited to, damages resulting from any loss of income or business resulting from the District's actions relating to the cancellation, termination, or expiration of the PRWA's insurance policies. The PRWA further releases and relieves each of the Insured Parties and waives its entire right of recovery for loss or damage arising out of or incident to the perils insured against which perils occur in, on or about the District's premises, whether due to the negligence of the Insured Party or the PRWA, or their agents, employees, contractors, or invitees. This is a waiver of subrogation clause and the PRWA shall, upon obtaining the policies of insurance required by this clause, give notice to the insurance carrier or carriers that the mutual waiver of subrogation is contained in this Consent.

- 5.9 Additional Coverage. The PRWA shall at all times during the operation of the Consent, at its sole cost, maintain in effect policies of insurance covering:
 - a. All alterations on or in the Temporary Delivery Facilities, providing protection against any risk included within the classification "Causes of Loss-Special Form" (ISO Form 10 30), including but not limited to insurance against sprinkler leakage, vandalism and malicious mischief, such insurance to be in an amount not less than the full replacement value of such improvements, which shall be determined at the time the policy is initially obtained, and not less frequently than once every 3 years thereafter; and

- b. All personal property of the PRWA located in or at the PWRP or the Temporary Delivery Facilities, including but not limited to fixtures, furnishings, equipment and furniture, in an amount not less than their full replacement value, providing protection against any peril included within the classification "Causes of Loss-Special Form" (ISO Form 10 30), including but not limited to insurance against vandalism and malicious mischief.

6. General Provisions.

- 6.1 Interpretation. Each Party has received independent legal advice from its attorneys with respect to the advisability of executing this Consent and the meaning of the provisions of this Consent. Each Party has participated in negotiating and drafting this Consent, so if an ambiguity or a question of intent or interpretation arises, this Consent is to be construed as if the Parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Consent.
- 6.2 Counterparts. This Consent will be executed in duplicate originals, one for each Party, each of which duplicate original shall be deemed to be an original, but all of which shall constitute one and the same agreement.
- 6.3 Supersession. This Consent amends, supersedes, and replaces the 2012 Consent.
- 6.4 Notification. All notices pursuant this Consent must be addressed as set forth below or to such other address as the Parties may designate by written notice. Notices must be sent through the United States mail or by courier (e.g. Federal Express).

To: District

County Sanitation Districts of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601
Attention: Supervisor, Property Management Group
(562) 908-4288, extension 2705
property@lacsdc.org

To: PRWA

Palmdale Recycled Water Authority
38300 Sierra Highway
Palmdale, CA 93550
Attention: Dennis LaMoreaux, Executive Director
(661) 456-1017
dlaureaux@palmdalewater.org

[Signature Page Immediately Follows]

The Parties are signing this Consent as of the Effective Date.

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

By: _____
Grace Robinson Hyde
Chief Engineer and General Manager

APPROVED AS TO FORM:

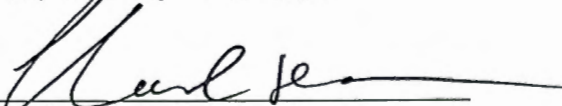
Lewis Brisbois Bisgaard & Smith, LLP

By: _____
District Counsel

**PALMDALE RECYCLED
WATER AUTHORITY**

By: _____
Juan Carrillo
Chair

APPROVED AS TO FORM:

By:  _____
Noel Doran
Assistant Authority Attorney

ATTEST:

By: _____
Rebecca J. Smith
Secretary

PALMDALE RECYCLED WATER AUTHORITY

BOARD MEMORANDUM

DATE: May 14, 2019 May 20, 2019
TO: BOARD OF DIRECTORS Board Meeting
FROM: Noel Doran, Assistant Authority Attorney, PRWA
VIA: Mr. Dennis LaMoreaux, Executive Director, PRWA

RE: AGENDA ITEM NO. 7.4 – RESOLUTION NO. PRWA 2019-003, RESOLUTION OF THE PALMDALE RECYCLED WATER AUTHORITY REPEALING RESOLUTION NO. PRWA 2017-002 AND SETTING FORTH THE PRWA'S REGULAR MEETING DATE AND TIME AND LOCATION

Recommendation:

Adopt Resolution No. PRWA 2019-003.

Background:

At the January 22, 2019 meeting, Chair Carrillo requested a new agenda item be presented at the February 21, 2019 Board meeting to consider changing the meeting date from the third Monday of each month at 7:00 p.m. to the third Thursday of each month at 5:00 p.m. The regular meeting location would continue to be held in the Palmdale City Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California.

At the February 21, 2019 meeting, an agenda item was presented to the Board for discussion regarding changing the date of the meeting from the third Monday of each month at 7:00 p.m. to the third Thursday of each month at 5:00 p.m. Since there was no consensus among the Board, a motion was made and carried by the Board to table this item and have a discussion at the next meeting about changing the meeting date.

At the April 15, 2019 PRWA meeting, an agenda item was presented to the Board for discussion and possible action regarding changing the meeting date and time. The Board was presented with a Board Directors Survey and Council Chamber Scheduled Events calendar listing those dates when Board directors and the Council Chambers were available. After discussion by the Board, there was a consensus that the current date and time is the best date and time for a majority of the directors. A motion was made and carried to bring back a resolution with language stating that the meeting will continue to be held on the 3rd Monday of the month at 7:00 p.m. and no date change will be considered for one year.

Financial Impact:

There is no fiscal impact.

Supporting Document(s):

Resolution No. PRWA 2019-003

RESOLUTION NO. PRWA 2019-003

**RESOLUTION OF THE PALMDALE RECYCLED WATER
AUTHORITY REPEALING RESOLUTION NO. PRWA 2017-002
AND SETTING FORTH THE PRWA'S REGULAR MEETING
DATE, TIME AND LOCATION**

WHEREAS, Section 4.5 of the "Joint Exercise of Powers Agreement Creating the Palmdale Recycled Water Authority" (hereinafter JPA), authorized the Board of the Palmdale Recycled Water Authority, hereinafter the "Board" to adopt a resolution that sets forth the regular meeting dates, times and locations; and

WHEREAS, at its meeting held on May 15, 2017, the Board adopted Resolution No. PRWA 2017-002 setting forth its regular meeting date, time and a location that set all regular meetings of the Board at City of Palmdale City Council Chambers on the third Monday of each month; and

WHEREAS, at the January 22, 2019 meeting, Chair Carrillo requested a new agenda item be presented at the February 21, 2019 Board meeting to consider changing the meeting date from the third Monday of each month at 7:00 p.m. to the third Thursday of each month at 5:00 p.m. The regular meeting location would continue to be held in the Palmdale City Council Chambers located at 38300 Sierra Highway, Suite B, Palmdale, California; and

WHEREAS, at the February 21, 2019 meeting, an agenda item was presented to the Board for discussion regarding changing the date of the meeting from the third Monday of each month at 7:00 p.m. to the third Thursday of each month at 5:00 p.m. Since there was no consensus among the Board, a motion was made and carried by the Board to table this item and have a discussion at the next meeting about changing the meeting date; and

WHEREAS, at the April 15, 2019 PRWA meeting, an item was presented to the Board for discussion and possible action regarding changing the meeting date and time. The Board was presented with a Board Directors Survey and Council Chamber Scheduled Events calendar listing those dates when board directors and the Council Chambers were available. After discussion by the Board, there was a consensus that the current date and time is the best date and time for a majority of the directors. A motion was made and carried to bring back a resolution with language stating that the meeting will continue to be held on the 3rd Monday of the month at 7:00 p.m. and no date change will be considered for one year.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Recycled Water Authority:

Section 1. That Resolution No. PRWA 2017-002 is hereby repealed in its entirety.

Section 2. That the regular meetings of the Board of the Palmdale Recycled Water Authority will be held on the third Monday of the month at 7:00 p.m.

Section 3. That the regular meeting location of the Board of the Palmdale Recycled Water Authority be held in the Palmdale City Council Chambers located at 38300 Sierra Highway, Suite "B", Palmdale California.

Section 4. That should the Authority Board direct that any given meeting not held for any reason, the Authority may adjourn to any future regular meeting date and provide notice of said adjournment as required by law. The Authority Secretary shall cause the notice of adjournment to be posted at the meeting location in Section 3 and maintain said posting until the date of the next meeting. No other notification shall be required.

Section 5. That the Authority Board resolves not to address the matter of a meeting date or time change from one year from the date of this Resolution.

Section 6. The Clerk of the Authority shall certify to the passage and adoption of this Resolution and enter it into the official records of the Authority.

PASSED, APPROVED and ADOPTED this 20th day of May, 2019, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____ ABSENT: _____

PROPOSED

Juan Carrillo
Chair

ATTEST:

Rebecca Smith,
Authority Secretary

APPROVED AS TO FORM:



Noel Doran
Assistant Authority Attorney