

Since 1918



# PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111  
Fax (661) 947-8604

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

Facebook: [palmdalewaterdistrict](https://www.facebook.com/palmdalewaterdistrict)

Twitter: @palmdaleH2O

## Board of Directors

ROBERT E. ALVARADO  
Division 1

JOE ESTES  
Division 2

MARCO HENRIQUEZ  
Division 3

KATHY MAC LAREN  
Division 4

VINCENT DINO  
Division 5

ALESHIRE & WYNDER  
LLP  
Attorneys

July 21, 2016

## *Agenda for Regular Meeting of the Board of Directors of the Palmdale Water District to be held at the District's office at 2029 East Avenue Q, Palmdale*

**Wednesday, July 27, 2016**

**7:00 p.m.**

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

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

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

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

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

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

- 1) Pledge of Allegiance.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.
- 5) Presentations:



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



- 5.1) Status Report on Upper Amargosa Recharge Project. (Assistant General Manager Knudson)
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
  - 6.1) Approval of minutes of regular meeting held July 12, 2016.
  - 6.2) Payment of bills for July 27, 2016.
- 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) Presentation and discussion by NHA Advisors to potentially refund the 2012 Installment Purchase Agreement and a portion of the 2013A Water Revenue Bonds. (Finance Manager Williams/Mark Northcross, NHA Advisors/Finance Committee)
  - 7.2) Consideration and possible action on annual salary review of the General Manager. (Personnel Committee)
  - 7.3) Consideration and possible action on Outreach activities. (Public Affairs and Sustainability Director McNutt)
    - a) Strategic Initiative Review.
    - b) Long-term vision for financial and water sustainability:
      - 1) Palmdale Regional Groundwater Recharge and Recovery Project
      - 2) Littlerock Dam Sediment Removal Project
    - c) Calendar of upcoming events
    - d) AguaPalooza Music Contest
    - e) Rebates/Cash for Grass Program
    - f) Board media training
    - g) Outreach Board input
  - 7.4) 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) American Water College “Management & Supervisor Leadership Training Program” to be held September 20 – 22, 2016 in Irvine.
    - b) American Water College “Advanced Management & Supervisory Leadership Training Program” to be held September 20 – 22, 2016 in Pasadena.
    - c) ACWA’s 2016 Regulatory Summit – Water and Energy: Beyond the Nexus to be held October 3 – 4, 2016 in Sacramento.

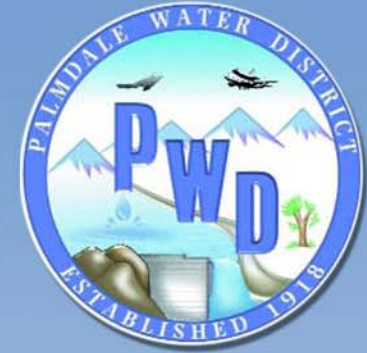
- 8) Information Items:
  - 8.1) Reports of Directors:
    - a) Meetings/General Report.
    - b) Standing Committee/Assignment Reports (Chair):
      - 1) Finance Committee
      - 2) Personnel Committee
  - 8.2) Report of General Manager.
    - a) July, 2016 written report of activities through June, 2016.
  - 8.3) Report of General Counsel.
- 9) Board members' requests for future agenda items.
- 10) Adjournment.



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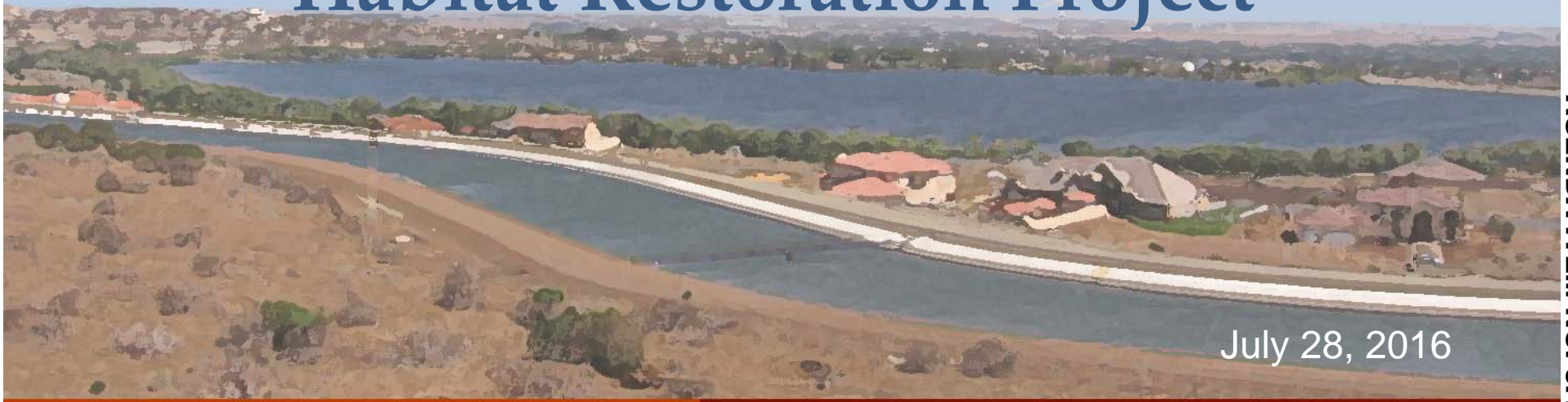
DENNIS D. LaMOREAUX,  
General Manager

DDL/dd



# Upper Amargosa Creek

## Flood Control, Recharge, and Habitat Restoration Project



July 28, 2016



# Background

- ❑ In 2006, City of Palmdale Proposed Project
- ❑ Project Part of Antelope Valley Integrated Regional Water Management Plan (AV-IRWMP)
- ❑ Project is receiving \$6.5 Million through Proposition No. 1E
- ❑ Approx. 75 acres along the Amargosa Creek
- ❑ Project located near 25th Street West, North Side of Elizabeth Lake Road
- ❑ Cooperative Agreement Executed December, 2013

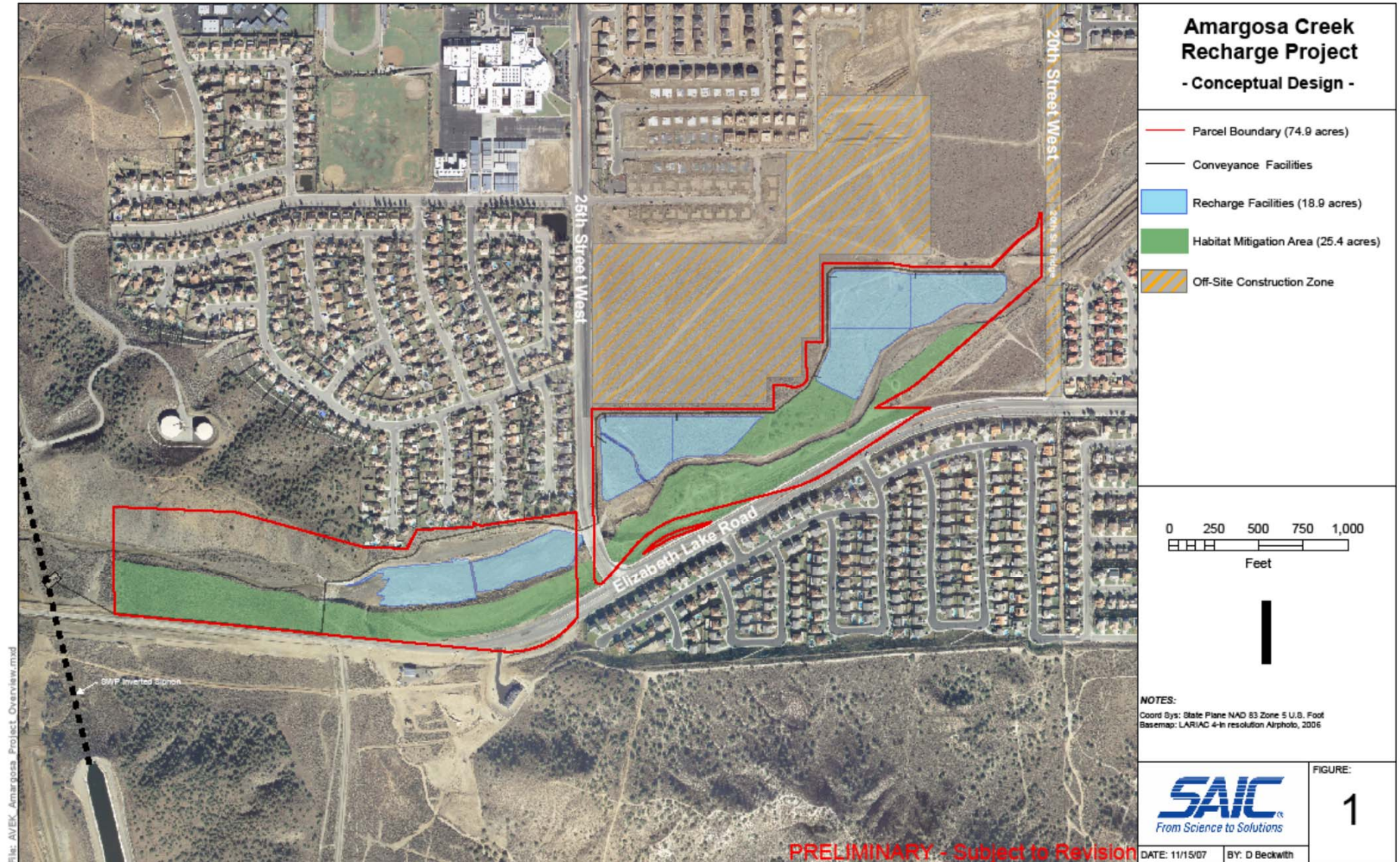
# Objectives

- ❑ Recharge local Antelope Valley aquifer system with available State Water Project water
- ❑ Recover water later for beneficial use
- ❑ Flood Protection
- ❑ Give local citizens creek-side community Nature Park





# Upper Amargosa Creek Flood Control, Recharge, and Habitat Restoration Project



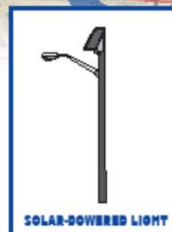


# Flood Control, Recharge, and Habitat Restoration Project

## AMARGOSA CREEK ANIMALS



## AMARGOSA CREEK NATURE PARK



**HERITAGE HABITAT**  
serving centuries old plants onsite



## Studies

- ❑ Identified three trending faults
  - ✓ Barriers to groundwater flow
- ❑ Identify aquifer storage amount
  - ✓ Simulated recharge rate: 6,400 - 9,400 Acre-Ft./Year
- ❑ Monitor movement of recharge water
- ❑ Defined thickness of deposits, depth to water, and location of faults
- ❑ Gravity, seismic, and resistivity surveys taken
- ❑ Environmental Impact Report (EIR) certified by City in 2010



# Funding

- ❑ Total Cost estimated: \$14,500,000
  - ✓ Includes Design, Construction, and Contingency
- ❑ \$6,500,000 from Prop 1E
- ❑ \$3,000,000 from City of Palmdale
- ❑ \$5,000,000 from Project Partners
  - ✓ LA County WWD40: \$1,250,000
  - ✓ Palmdale Water District \$1,250,000
  - ✓ AVEK Water Agency \$2,500,000

## PWD Benefit

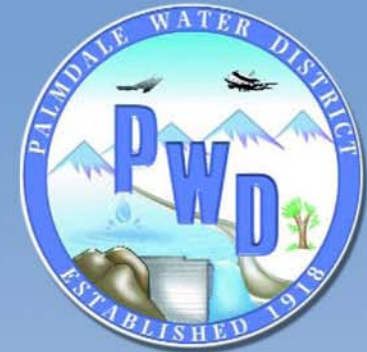
- ❑ Partnership with Local Agencies
- ❑ Increased Aquifer Supply to PWD Wells
- ❑ Expand Water Supply Portfolio
  - ✓ Recharge Capacity of 1,600 – 2,350 Acre-Ft./Year
  - ✓ Operational Flexibility



# Schedule

- ❑ Design (GEI) currently at 90%
- ❑ Design scheduled to be complete in late 2016
- ❑ Construction to begin in early 2017
- ❑ Project to be completed in late 2017





# Questions ?



July 28, 2016

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** July 21, 2016 **July 27, 2016**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.1 – PRESENTATION AND DISCUSSION BY  
NHA ADVISORS TO POTENTIALLY REFUND THE 2012  
INSTALLMENT PURCHASE AGREEMENT AND A PORTION OF THE  
2013A WATER REVENUE BONDS. (FINANCE MANAGER  
WILLIAMS/MARK NORTHCROSS, NHA ADVISORS/FINANCE  
COMMITTEE)***

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Finance Manager Williams and Mr. Mark Northcross, from NHA Advisors, will provide a detailed overview of this refunding opportunity at the Board meeting.

**Supporting Documents:**

- NHA Advisors Presentation to Palmdale Water District Refinancing the District's 2012 and 2013 Debt
- NHA Advisors memo regarding Palmdale Water District Refinancing Opportunities
- NHA Advisors Financing Schedule for Refunding of 2012 Installment Purchase Agreement and Portion of 2013A Water Revenue Bonds





**NHA | ADVISORS**

Strategy. Innovation. Solutions.

**Presentation to**  
**PALMDALE WATER DISTRICT**  
*Refinancing the District's 2012 and 2013 Debt*



# Summary

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- ▶ Two Potential Refinancings
  - ▶ All of the 2012 Private Placement with Bank of Nevada
  - ▶ The 2038 and 2043 term bonds of the 2013 Water Revenue Bonds
  - ▶ Refinancings can be accomplished by September if a “green light” is given now
- ▶ PWD revenues are sufficient to maintain its current credit ratings (A- S&P and A+ Fitch)



# Summary of Existing Debt

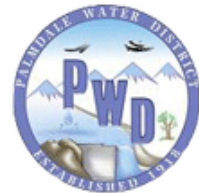
Utility Debt Issue	2012 Installment Purchase Agreement	2013 Revenue Bonds (2038 and 2043 Term Bonds) <sup>(1)</sup>	Total <sup>(4)</sup>
Issuance date	November 2012	May 2013	-
Original par value	\$12,765,208	\$8,810,000	\$21,575,208
Type of debt sale	Private placement with Bank of Nevada	Public offering	-
Current outstanding par value	\$8,577,741	\$8,810,000 <sup>(2)</sup>	\$ 17,387,741
Current interest rate	3.100%	4.00%	3.87%
Average annual debt service	\$1,373,000	\$352,400 <sup>(3)</sup>	\$1,725,400
Final Maturity	10/1/23	10/1/43	-
Debt service reserve fund	AGM surety bond	AGM surety bond	-
Call Features	Any date after 4/1/2016 at par, 15 days notice	Any day at par after 10/1/2018 at par, 45 days notice	-

(1) The 2013 serial and term bonds maturing through 2034 are not refundable at this time

(2) Outstanding par of the 2038 and 2043 term bonds

(3) Interest only payments on 2038 and 2043 term bonds through 2034

(4) Does not include 2013 capital lease, which is not refundable at this time



# Refinancing Goals

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- ▶ Reduce debt service payments every year without extending maturities
- ▶ Structure cash flow savings to maximize future bonding capacity while minimizing impact on rate payers
  - ▶ Combined District debt service “peaks” from 2024 through 2034
- ▶ Maintain or improve current credit ratings



# Refinancing Benefits

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- ▶ Present value savings, net of all expenses, of about \$990,000
  - ▶ This approximates the potential new bonding capacity without rate impact from the refinancing
- ▶ Cash flow savings vary from \$53,000 per year in 2017 through 2023, to \$48,000 per year from 2024 to 2034, to \$39,000 per year from 2035 to 2043.
  - ▶ This structure maximizes bonding capacity with minimal rate impact
- ▶ No extension of financing term required to achieve these savings





# Private Placement vs. Public Offering

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- ▶ District has done one private placement with a bank (2012 debt with Bank of Nevada) and one public offering (2013 water revenue bonds)
- ▶ Private placements with banks can be the best financing for relatively short term debt (banks are reluctant to make fixed rate commitments beyond 15 to 20 years)
- ▶ If the 2038 and 2043 term bonds from the 2013 Water Revenue Bonds are to be refinanced, the refinancing must be a public offering
  - ▶ Because of the size of the combined 2012 and 2013 refinancing, the overall financing costs are modest as a percent of the transaction
  - ▶ A public offering under current market conditions results in lower overall interest rates than a private placement



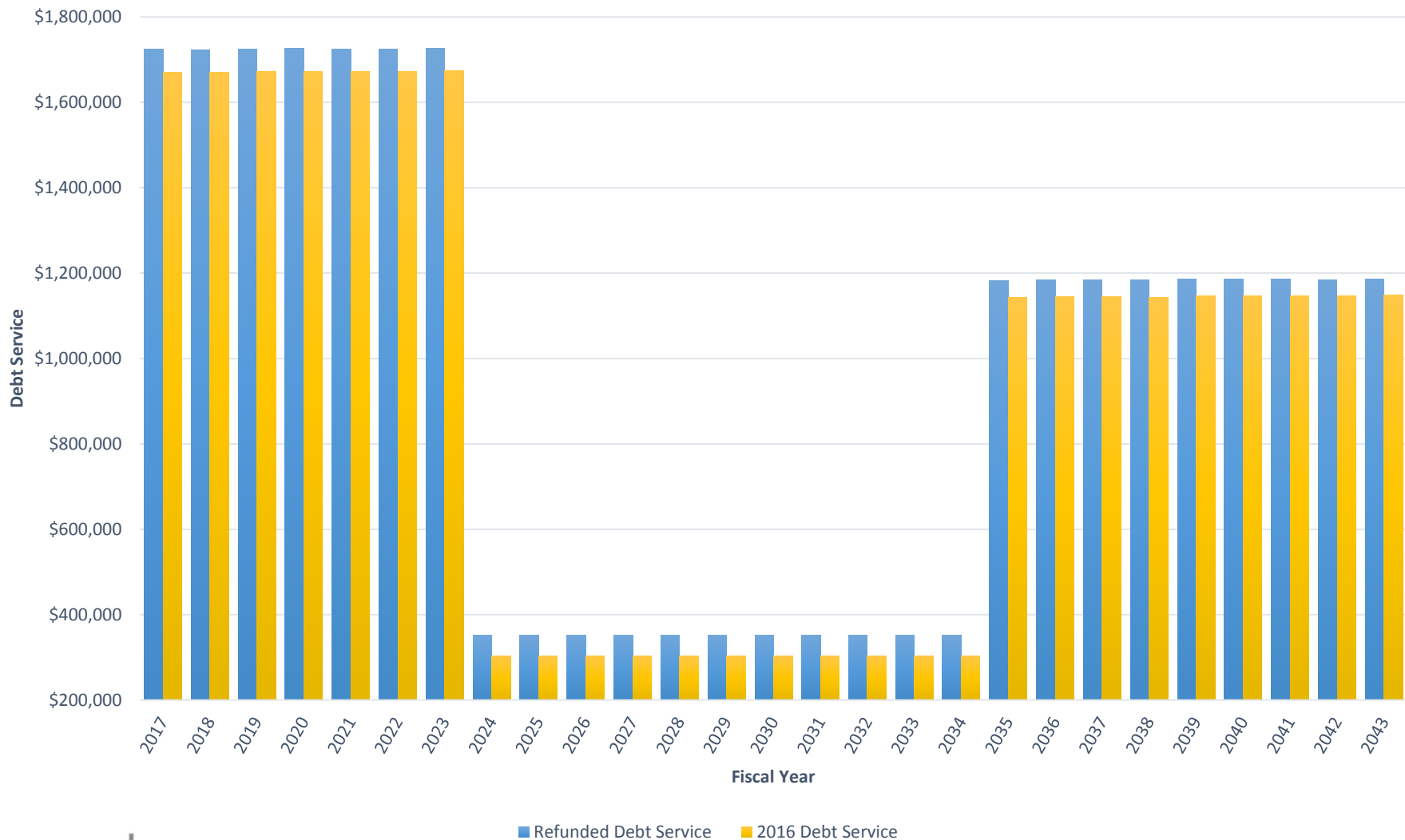
# Summary of Refunding Benefits

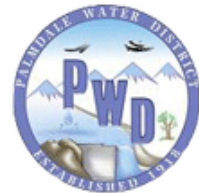
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Current interest rate	3.87%
Estimated new interest rate	2.78%
Average annual savings through 2023	\$53,000
Average annual savings from 2024 through 2034	\$ 48,000
Average annual savings from 2035 through 2043	\$39,000
Combined present value savings, net of all expenses	\$989,000
Combined present value savings, net of all expenses, as a % of bonds refunding	5.69%



# Refunded Debt Service Comparison





# Potential Schedule

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First draft of legal documents	Friday, July 22 <sup>nd</sup>
First draft of official statement	Monday, August 1 <sup>st</sup>
Submit credit review package	Wednesday, August 3 <sup>rd</sup>
Receive bond rating	Monday, August, 21 <sup>st</sup>
PWD Board approval	Wednesday, August 24 <sup>th</sup>
Sale date	Tuesday, September 6 <sup>th</sup>
Closing date	Tuesday, September 20 <sup>th</sup>



## Next Steps

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- ▶ PWD decides whether these potential savings are worth pursuing
- ▶ Staff, municipal advisor and bond counsel prepare credit review package
- ▶ Staff and municipal advisor make selection of bond underwriter
- ▶ Credit rating obtained and refinancing bonds sold





# Disclosures

NHA Advisors, LLC is registered as a Municipal Advisor with the SEC and Municipal Securities Rulemaking Board (“MSRB”). Pursuant to MSRB Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients, which include, among other things, Duty of Care, Duty of Loyalty, Conflicts of Interest and any Legal or Disciplinary events of NHA Advisors, LLC and its associated persons. As such, NHA Advisors, LLC has a Fiduciary duty to each public agency and must provide both a Duty of Care and a Duty of Loyalty that entails the following.

## *Duty of Care*

- exercise due care in performing its municipal advisory activities;
- possess the degree of knowledge and expertise needed to provide public agency with informed advice;
- make a reasonable inquiry as to the facts that are relevant to public agency’s determination as to whether to proceed with a course of action or that form the basis for any advice provided to public agency; and
- undertake a reasonable investigation to determine that NHA Advisors, LLC is not forming any recommendation on materially inaccurate or incomplete information; NHA Advisors, LLC must have a reasonable basis for:
  - any advice provided to or on behalf of the public agency;
  - any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the public agency, any other party involved in the municipal securities transaction or municipal financial product, or investors in public agency’s securities; and
  - any information provided to public agency or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

## *Duty of Loyalty*

NHA Advisors, LLC must deal honestly and with the utmost good faith with Town and act in Town’s best interests without regard to the financial or other interests of NHA Advisors, LLC. NHA Advisors, LLC will eliminate or provide full and fair disclosure (included herein) to Issuer about each material conflict of interest (as applicable). NHA Advisors, LLC will not engage in municipal advisory activities with Town as a municipal entity, if it cannot manage or mitigate its conflicts in a manner that will permit it to act in Town’s best interests.

## *Conflicts of Interest*

NHA Advisors, LLC represents that in connection with the issuance of municipal securities, NHA Advisors, LLC may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, NHA Advisors, LLC hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding NHA Advisors, LLC’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair NHA Advisors, LLC’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer. If NHA Advisors, LLC becomes aware of any additional potential or actual conflict of interest after this disclosure, NHA Advisors, LLC will disclose the detailed information in writing to the Issuer in a timely manner.

## *Legal or Disciplinary Events*

NHA Advisors, LLC does not have any legal events and disciplinary history on its Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. Public agencies may electronically access NHA Advisors, LLC’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

## MEMORANDUM

To: Mike Williams, Director of Financial Services, Palmdale Water District  
Bob Egan, Financial Consultant, Palmdale Water District

From: Mark Northcross and Rob Schmidt

Date: July 6, 2016

RE: Palmdale Water District – Refinancing Opportunities

### Introduction

The Palmdale Water District (“PWD”) has done major financings for improvements water system over the last 20 years. PWD refinanced all of the obligations in 2012 and 2013 and funded new improvements in 2013. All of the remaining 2012 debt, as well as the new money portion of the 2013 debt, may now be refinanced with significant savings to PWD. The refunding portion of the 2013 debt, which all matures by 2034, cannot be refinanced at present due to Federal tax law constraints.

### Summary of Outstanding Debt

Table 1 below shows a summary of the outstanding debt of PWD that is eligible for refinancing now:

**Table 1**  
**Summary of Existing PWD Debt Eligible for Refinancing**

Utility Debt Issue	2012 Installment Purchase Agreement	2013 Revenue Bonds (2038 and 2043 Term Bonds) <sup>(1)</sup>	Total <sup>(4)</sup>
Issuance date	November 2012	May 2013	-
Original par value	\$12,765,208	\$8,810,000	\$21,575,208
Type of debt sale	Private placement with Bank of Nevada	Public offering	-
Current outstanding par value	\$8,577,741	\$8,810,000 <sup>(2)</sup>	\$17,387,741
Current interest rate	3.100%	4.00%	3.87%
Average annual debt service	\$1,373,000	\$352,400 <sup>(3)</sup>	\$1,725,400
Final Maturity	10/1/23	10/1/43	-
Debt service reserve fund	AGM surety bond	AGM surety bond	-
Call Features	Any date after 4/1/2016 at par, 15 days notice	Any day after 10/1/2018 at par, 45 days notice	-
<p>(1) The 2013 serial and term bonds maturing through 2034 are not refundable at this time</p> <p>(2) Outstanding par of the 2038 and 2043 term bonds</p> <p>(3) Interest only payments on 2038 and 2043 term bonds through 2034</p> <p>(4) Does not include 2013 capital lease, which is not refundable at this time</p>			

Table 1 shows that the District has two outstanding debt obligations that are eligible for refinancing now: (1) all of the 2012 Installment Purchase Agreement (“2012 Agreement”), and (2) the 2038 and 2043 term bonds from the 2013 Water Revenue Bonds (“2013 Bonds”). Note that PWD has a third debt obligation, a 2013 capital lease. However, since this lease matures in 2017, we have not included in the refunding analysis.

The 2012 Agreement is callable on any date. The 2038 and 2043 term bonds from the 2013 Bonds are callable on any date after October 1, 2018 at par.

There is a debt service reserve fund requirement equal to combined maximum annual debt service on all parity obligations for both the 2012 Installment Purchase Agreement and 2013 Bonds. This requirement is now satisfied by a surety bond purchased from AGM as part of the 2013 Bonds.

### **Refinancing Opportunity**

Since the issuance of all of these obligations, interest rates for the municipal bond market have declined significantly. Table 2 shows a summary of the potential benefits from a refinancing of the debt obligations shown in Table 1. Table 2 shows a comparison of the current interest rate with what we believe would be the interest rate under current market conditions on new debt, as well as the cash flow savings.

**Table 2**  
**Benefits of Proposed Refunding of 2012 Agreement and 2013 Bonds**

Current interest rate	3.87%
Estimated new interest rate	2.78%
Average annual savings through 2023	\$53,000
Average annual savings from 2024 through 2034	\$48,000
Average annual savings from 2035 through 2043	\$39,000
Combined present value savings, net of all expenses	\$989,000
Combined present value savings, net of all expenses, as a % of bonds refunding	5.69%

Table 2 shows that the average interest rate on the debt refinanced would decline by 1.09%, from 3.87% to 2.78%. Since the 2012 Agreement matures in 2023, and principal maturities on the portion of the 2013 Bonds being refunding do not begin until 2034, cash flow savings from the refinancing are uneven. Approximately \$53,000 per year is saved from 2017 through 2023. The cash flow savings during the interest only period on the 2038 and 2043 term bonds from the 2013 Bonds are approximately \$48,000 per year. Savings from 2035 through 2043 are approximately \$39,000 per year.

The core reason for structuring savings this way is to minimize the overall combined annual debt service obligations of PWD. This approach maximizes the ability of PWD to issue debt in the future to fund new projects with minimal impact on ratepayers. At present, PWD’s highest annual debt service payments are in the period from 2024 through 2034. The proposed structure shown in Table 2 reduces debt service in this period by the greatest amount possible.

Another key policy issue is whether or not to refinance the 2038 and 2043 term bonds from the 2013 Bonds now. They are not callable for over two years. This means that the proceeds of the refinancing for these two term bonds must be deposited into an escrow account from the closing date on the refinancing through the October 2018 call date. The escrowed proceeds will earn a very low interest rate compared to the 3.87% interest rate on the bonds being refunded. This results in additional costs for the refinancing that could be avoided by waiting to

refinance this debt until 2018. However, PWD would be taking market risk on interest rates going up between now and 2018. As you know, current interest rates on municipal bonds are at historic lows that have not been seen since the 1950's. Nevertheless, our recommended criteria for any refinancing is whether or not it achieves at least 5% present value savings, net of all expenses, and measured as a percent of the debt being refinanced. The combined refunding of the 2012 Agreement and the 2013 Bonds achieves that goal. Consequently, unless there are non-financial public policy reasons to not do the refinancing now, we recommend that PWD proceed with it, conditional upon net present savings being at least equal to 5% of the amount of debt being refinanced.

If the PWD decided to wait until 2018 to do the refinancing, we have calculated that if interest rates were to go up by 25 basis points (0.25%) or more, there would be less present value savings to PWD, discounted back to 2016, than there would be by doing the refinancing now.

### **Next Steps**

If PWD is interested in proceeding with a refinancing of its 2012 Agreement and 2013 Bonds, the first policy question to be decided is whether to do the refinancing through a private placement with a bank or through a public offering of utility revenue bonds. At present, community banks are very aggressive in pricing debt with terms of less than 20 years. Since the 2038 and 2043 term bonds do not start amortizing for more than 20 years, we do not believe that this refinancing is best suited for a private placement. Accordingly, we recommend that the District consider a public offering of a single bond issue to refinance all of its 2012 Agreement and the 2038 and 2043 term bonds from the 2013 Bonds.

Table 3 below shows a suggested financing schedule for the proposed refinancing. This schedule targets Board approval at its regularly scheduled meeting on Wednesday, August 24<sup>th</sup>. The refunding bonds would be sold on September 6<sup>th</sup>, and the transaction would close on September 20<sup>th</sup>.

<b>Table 3 Suggested Refinancing Schedule</b>	
First draft of financing documents	Friday, July 22 <sup>nd</sup>
First draft of official statement	Monday, August 1 <sup>st</sup>
Submit credit review package	Wednesday, August 3 <sup>rd</sup>
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Sale date	Tuesday, September 6 <sup>th</sup>
Closing date	Tuesday, September 20 <sup>th</sup>

As always, it is a pleasure working with PWD. We hope we can be of service to the District again through this refinancing.

All the best;



Mark Northcross  
Principal

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  - any representations made in a certificate that it signs that will be reasonably foreseeably relied upon by the public agency, any other party involved in the municipal securities transaction or municipal financial product, or investors in public agency’s securities; and
  - any information provided to public agency or other parties involved in the municipal securities transaction in connection with the preparation of an official statement.

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There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC.

**PALMDALE WATER DISTRICT  
2016 WATER REVENUE REFUNDING BONDS  
(REFUNDING OF 2012 INSTALLMENT PURCHASE AGREEMENT  
AND PORTION OF 2013A WATER REVENUE BONDS)**

**FINANCING SCHEDULE  
JULY 14, 2016**

*Issuer: Palmdale Water District (DISTRICT)*  
*Municipal Advisor: NHA Advisors (MA)*  
*Bond Counsel: Stradling Yocca Carlson & Rauth (BC)*  
*Disclosure Counsel: Stradling Yocca Carlson & Rauth (DC)*  
*Underwriter: TBD (UW)*  
*Trustee/Escrow Agent: MUFG Union Bank (EA)*

Date	Activity	Participants
July 28	Circulate Draft Financing Documents and Preliminary Official Statement ("POS")	BC/DC
August 3	Comments Due on Draft Financing Documents and POS	ALL
August 8	Circulate Revised Financing Documents and POS	BC/DC
August 9	Credit Package Sent to Rating Agency and Bond Insurers	MA
August 10	Circulate Draft Rating Presentation	MA/UW
August 11	Comments Due on Revised Financing Documents and POS	ALL
August 12	Comments Due on Draft Rating Presentation	ALL
Week of August 15	Conference Call with Rating Agency; Send Final Credit Presentation to Bond Insurers	DISTRICT/MA/UW
August 17	Circulate Financing Documents and POS for Agenda Package	BC/DC
August 18	Agenda Deadline for August 24 <sup>th</sup> Board Meeting	ALL

July 2016						
Su	M	Tu	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

August 2016						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2016						
Su	M	Tu	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Date	Activity	Participants
August 24	Receive Credit Rating	MA
August 24	Board Approval of Financing Documents	DISTRICT
August 24-25	Bond Insurance Bids Due	MA
August 25	Release POS to Underwriter	BC/DC/MA
August 25	Notify Bank of Nevada of Intention to Payoff 2012 Installment Purchase Agreement	MA
September 1	Bond Pricing	UW/MA
September 5	Labor Day Holiday	ALL
September 14	Pre-Close Financing	ALL
September 15	Closing	ALL
September 15	Wire Payoff Amount to Bank of Nevada to Payoff 2012 Installment Purchase Agreement	EA
August 1, 2018	Send Call Notice for 2013A Water Revenue Bonds	EA
October 1, 2018	Redeem 2013A Water Revenue Bonds	EA

**RE:     *AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION  
ON ANNUAL SALARY REVIEW OF THE GENERAL MANAGER.  
(PERSONNEL COMMITTEE)***

- General Manager contract
- CPI information as of July 10, 2016



# GENERAL MANAGER EMPLOYMENT AGREEMENT

## BETWEEN

### PALMDALE WATER DISTRICT AND DENNIS D. LAMOREAUX

This GENERAL MANAGER EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into this 30th day of July, 2015, by and between the PALMDALE WATER DISTRICT, an irrigation district organized and existing under Division 11 of the California Water Code, a (hereinafter the "District"), and DENNIS D. LaMOREAUX, an individual (hereinafter the "General Manager").

## RECITALS

WHEREAS, it is the desire of the District (hereinafter the "Board") to employ an individual to serve in the position of General Manager; and

WHEREAS, it is the desire of the District to (1) secure and retain the services of General Manager, (2) to provide inducement for him to maintain such employment, and (3) to provide a mechanism for terminating General Manager's services, if and when necessary; and

WHEREAS, General Manager desires to accept employment as such from District;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, District and General Manager hereby agree as follows:

## AGREEMENT

### 1.0 EMPLOYMENT & DUTIES.

District hereby employs Dennis LaMoreaux as General Manager of the District.

1.1 The General Manager shall be the chief administrative officer of the District, and is hereby designated as the person who shall direct the District activities in connection with the development, production, treatment, storage, transmission and distribution of water, including operations, maintenance, management and engineering, in accordance with the directions and policies established by the Board from time to time, and shall do and perform all other services, acts, or things necessary or advisable to manage and conduct the business of the District and as directed by the Board and in compliance with District Rules and Regulations, Section 4.14.

1.2 The General Manager shall devote his full and productive time, availability and attention to the discharge of the General Manager's duties during the term of this Agreement. The General Manager further agrees to perform all such functions and duties to the best of his ability and in an efficient, competent, and ethical manner, and to provide to the Board a written report at least once per month at a regular meeting of the Board.

1.3 During the term of this Agreement, General Manager shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict in any manner, with the proper discharge of Employee's duties under this

Agreement. General Manager shall comply with all requirements of law, including but not limited to, Sections 87100 *et seq.*, Section 1090 and Section 1125 of the Government Code, and all other similar statutory and administrative rules. Whenever any potential conflict arises or may appear to arise, the obligation shall be on General Manager to seek legal advice concerning whether such conflict exists and General Manager's obligations arising therefrom.

## **2.0 TERM & TERMINATION.**

2.1 Commencement & Effective Date. General Manager shall commence his services at 8:00 A.M., Pacific daylight savings time, on July 30, 2015 which shall also be deemed the Effective Date of this Agreement.

2.2 Term. Unless earlier terminated as provided in this Agreement, the term of this Agreement shall be for three (3) years commencing from and after the Effective Date and ending at midnight Pacific daylight savings time on July 29, 2018 ("Term").

2.3 Employment Status. General Manager is an "at-will" employee serving at the pleasure of District, acting through the Board, and subject to summary dismissal without any right of notice or hearing, including any so-called "Skelly" hearing. Except as provided in Section 2.6 below, District may terminate the employment of General Manager and this Agreement at any time, with or without cause, upon compliance with the provisions set forth in Articles 3.0 or 4.0 of this Agreement.

2.4 FLSA Exempt Status. General Manager agrees that his position is that of an exempt employee for the purposes of the Fair Labor Standards Act.

2.5 Waiver of Certain Termination Rights. General Manager expressly waives any rights provided under District's personnel system or policies, and any rights provided to General Manager under State or Federal law, including Government Code sections 54950 *et seq.* ("Brown Act"), to any form of pre- or post-termination hearing, appeal, or other administrative process pertaining to termination, except those rights General Manager may have under the California or United States constitutions to a name-clearing hearing and the rights specifically provided at Section 2.10.

2.6 Termination for Disability or Inability to Perform. In the event General Manager becomes unable to perform his duties by reason of physical or mental illness or disability, the General Manager shall be entitled to his full compensation for a period of up to ninety (90) days from and after the beginning of such disability and if, at the end of that period not exceeding ninety (90) days he is unable to resume and effectively discharge his duties hereunder, then and in such event the District may cancel this Agreement and be relieved of any obligation accruing hereunder after the date of the official action by the Board terminating the Agreement. Compensation and benefits are payable only through the effective date of termination, and shall include any paid time off accrued through that date.

In accordance with federal and state law, and if applicable, the District will designate such disability leave as Family Medical Leave Act ("FMLA") and California Family Rights Act ("CFRA") leave, and will afford General Manager the rights provided to him under the FMLA and CFRA. General Manager is considered a key employee, as defined by the FMLA and the CFRA.

2.7 Termination by General Manager. The General Manager may unilaterally terminate this Agreement, as he is a voluntary and "at-will" employee. If General Manager determines to terminate this Agreement, he shall be required to give a minimum of sixty (60) days' advance written notice to Board prior to the effective date of his termination, unless a shorter period is acceptable to Board, and General Manager shall not be eligible for severance pay in the event of his voluntary resignation. The General Manager shall receive his compensation, benefits, and any paid time off accrued through the effective date of termination.

2.8 Termination by District Without Cause. The District may terminate the General Manager's employment and thereby terminate this Agreement, at any time, without good cause, upon no less than thirty (30) days' written notice to the General Manager, upon an affirmative vote of four (4) members of the Board. Upon termination without cause under this Section, any severance payments to the General Manager shall be determined by Section 3.0 of this Agreement. The General Manager shall receive his compensation, benefits, and any paid time off accrued through the effective date of termination.

2.9 Termination by District With Cause. The District may terminate the General Manager's employment and thereby terminate this Agreement, at any time, upon showing of cause as defined at Section 2.11, upon not less than thirty (30) days' written notice to the General Manager, upon the affirmative vote of three (3) members of the Board. Notwithstanding the thirty-day notice requirement, the General Manager may be placed on administrative paid leave immediately upon a finding of cause as defined at Section 2.11 and for the remainder of the thirty-day notice period. Upon termination with cause under this Section, the District shall not be obligated to make any severance payment as described in Section 3.0. Upon termination pursuant to this Section, neither party shall have any further obligation, responsibility or liability after the effective date of termination, except the General Manager shall receive his compensation, benefits, and any paid time off accrued through the effective date of termination.

2.10 Written Statement Describing Cause; Name-Clearing Hearing; and Appeal of "Cause" Determination. In the event General Manager is terminated for cause, District shall provide General Manager with a written statement describing the cause for termination and shall afford General Manager the opportunity for a name-clearing hearing before the Board at a reasonable time upon reasonable notice. The name-clearing hearing shall not delay or prevent District from terminating General Manager and may therefore take place after the termination has occurred.

The Name-Clearing hearing may be held in closed session, or in public session, as requested by the General Manager, and may also serve as the opportunity for the General Manager to appeal the Board's determination of "cause" if the General Manager so requests in writing within the ten (10) days of that determination. The issue at the hearing shall be limited solely to whether the District's "for cause" termination was arbitrary and capricious, entitling the General Manager to termination without cause and severance pursuant to Section 3.3. Under no circumstances shall the General Manager be entitled to reinstatement to the position of General Manager as a result of such hearing. Following the hearing, the Board shall submit his/her findings and decision to the General Manager, which shall be final and binding.

2.11 Definition of Cause. For the purposes of this Agreement "cause" for termination shall include, but not be limited to, the following: (1) loss of mental capacity for more than six

(6) consecutive months as determined by a court of competent jurisdiction; (2) persistent, habitual or willful neglect of duty; (3) insubordination (which shall be defined as a repeated failure to carry out a lawful directive or directives of the Board made by the Board as a body, following notice to General Manager of the same); (4) corrupt or willful misconduct in office; (5) willful malfeasance, or conviction of an illegal act (excepting minor traffic or moving violations) amounting to an act of moral turpitude (a conviction following a plea of *nolo contendere* is deemed a conviction); (6) willful destruction or misuse of District property; (7) habitual intoxication while on duty, whether by alcohol, prescription or non-prescription drugs, and in the case of prescription drugs, where they are being used in a manner not authorized by General Manager's treating physician; (8) inexcusable absence without an authorized leave of absence; (9) willful political activity involving the support of candidates for the Board; (10) theft or attempted theft; (11) financial mismanagement; (12) material dishonesty; (13) willful violation of Federal, State or District discrimination and harassment laws concerning race, religious creed, color, national origin, ancestry, physical handicap, marital status, sexual orientation, sex or age concerning either members of the general public or District's employee(s) while acting in the course and scope of employment, while on District premises or time, and/or while acting without the prior approval or direction of the Board; (14) willful and unlawful retaliation against any District officer or employee or member of the general public who in good faith reports, discloses, divulges or otherwise brings to the attention of any appropriate authority any facts or information relative to actual or suspected violations of any law occurring on the job or related directly thereto; (15) willful violation of any conflict of interest or incompatibility of office laws; (16) performance of work that conflicts directly with the activities and duties as General Manager, but *not* including educational or professional training programs conducted by General Manager whether for personal financial gain or not; (17) refusal to take or subscribe to any oath or affirmation which is required by law; or (18) engaging in conduct tending to bring embarrassment or disrepute to District.

### 3.0 SEVERANCE PAYMENTS.

3.1 Severance. General Manager shall have the severance rights provided hereinafter. The severance rights provided in this Article 3.0 shall constitute the sole and only entitlement of General Manager in the event of termination, and General Manager expressly waives any and all other rights except as provided herein. Nothing in this paragraph shall be construed as precluding General Manager's right to contest the appropriateness of termination for cause in any court of competent jurisdiction or otherwise enforce the provisions of this Agreement.

### 3.2 Termination For Cause.

(1) No Severance Payment Following Termination for Cause. If the Board terminates General Manager for "cause," as defined in Section 2.11 of this Agreement, District shall not be required to make the severance payment provided herein.

(2) No Severance Payment While Under Investigation. In the event General Manager is under investigation for any of the reasons set forth in Section 2.11 hereof, District may withhold part or all of any severance payment afforded General Manager herein until it is determined if charges will be filed, and if charges are filed, until final judgment is rendered; provided, however, that District may not withhold the severance payment (if any), in whole or in part, beyond twelve (12) months of the initiation of an investigation and/or the filing of charges, whichever shall last occur.

3.3 Termination Without Cause. If the Board terminates General Manager at its sole discretion, and without cause, before the expiration of the Term of employment set forth in this Agreement, General Manager shall be entitled to the following severance payments and benefits:

(1) Termination Without Cause During First Year of Term. If the Board terminates General Manager for its convenience, and without cause, during the first year of the Term of this Agreement, District shall provide General Manager with:

(a) twelve (12) months' base salary; and

(b) District-paid "COBRA" benefits (medical, dental and vision) as of the time of termination, to the extent permitted by law, for twelve (12) months or until General Manager is employed by another employer, whichever occurs first.

(2) Termination Without Cause During Second or Third Years of Term. If the Board terminates General Manager for its convenience, and without cause, during the second or third years of the Term of this Agreement, District shall provide General Manager with:

(a) six (6) months' base salary, or, if there are less than six (6) months remaining in the Term, an amount equal to the monthly salary of General Manager multiplied by the number of months left on the unexpired Term of the contract (in accordance with Government Code § 53243.3., as further described in Section 3.5 below); and

(b) District-paid "COBRA" benefits (medical, dental and vision), to the extent permitted by law, as of the time of termination for the following period of time: (i) if there are six (6) or more months remaining in the Term, for six (6) months, or until General Manager finds other employment, whichever occurs first; (ii) if there are less than six (6) months remaining in the Term, for the number of months remaining in the Term, or until General Manager finds other employment, whichever occurs first (in accordance with Government Code § 53243.3., as further described in Section 3.5 below).

(3) New Employment During Severance Period. If General Manager obtains other employment prior to the end of the severance period, the above-described COBRA benefits and insurance coverages (excluding severance pay) shall cease on the commencement date of such other employment benefits and insurance coverage.

(4) Severance Conditioned on General Release. The remittal of any severance payment by District pursuant to this Agreement shall be conditioned upon General Manager's execution of a general release of claims, a copy of which is attached hereto as Exhibit A, and payment shall not occur until after the expiration of the release revocation period. In the event General Manager declines to execute or revokes the general release of claims, no severance payment shall be made.

3.4 Application of Government Code Section 53260. Government Code Section 53260 provides that all contracts of employment with a District must include a provision limiting the maximum cash settlement for the termination of the contract to the monthly salary (excluding benefits) multiplied by the number of months left on the unexpired term, but not more than eighteen (18) months if the unexpired term exceeds 18 months. The severance payments provided herein are expressly limited by this provision (e.g., if termination occurred with six (6)

months left in the term, severance would be equal to the monthly base salary multiplied by six (6) rather than twelve (12), provided General Manager executes and does not revoke a general release of claims).

3.5 Application of Government Code Section 53243.3. If this Agreement provides for: (1) paid leave for the official pending an investigation; (2) funds for the legal criminal defense of the official, or (3) any cash settlement related to General Manager's termination, such sums shall be fully reimbursed by General Manager to District if the General Manager is convicted of a crime involving abuse of his or her office or position. All provisions of Government Code § 53243.3 shall take precedence over the terms of this Agreement.

3.6 Application of Government Code Section 3511.2. Notwithstanding any other provisions of this Agreement, it shall be prohibited for this Agreement to provide an automatic renewal hereof that provides for an automatic compensation increase in excess of a cost-of-living adjustment or a maximum cash settlement in excess of certain limits. Government Code § 3511.2 is hereby incorporated into the terms of this Agreement as follows:

"On or after January 1, 2012, any contract executed or renewed between a local agency and a local agency executive shall not provide for the following:

(a) An automatic renewal of a contract that provides for an automatic increase in the level of compensation that exceeds a cost-of-living adjustment.

(b) A maximum cash settlement that exceeds the amounts determined pursuant to Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5" (i.e., a cash settlement that exceeds 18 months of the Salary and benefits).

3.7 No Severance if Termination Is By General Manager. General Manager expressly agrees that he shall not be entitled to any severance payment as the result of the termination of this Agreement if such termination is by the General Manager, as provided in Section 2.7.

3.8 Payment. One-half of any severance payment required under this Section shall be paid within ten (10) days following the effective date of a general release of claims, provided General Manager has not revoked the release, attached hereto at Exhibit A. The balance of the severance payment shall be paid monthly following thirty (30) days following the date of separation or as otherwise agreed by the parties.

#### 4.0 COMPENSATION.

4.1 Annual Base Compensation. District agrees to compensate General Manager for his services rendered hereunder at an annual base salary of \$200,000 (Two Hundred Thousand Hundred Dollars) as may be adjusted, from time-to time, in accordance with Section 4.2 hereinafter, or as this Agreement may be amended. Such salary shall be payable in twenty-six (26) equal installments at the same time as other Department Head employees of District are paid. Such salary shall be adjusted for payroll taxes, workers' compensation, and other payroll-related liability costs.

4.2 Annual Salary Review. If the annual performance evaluation of the General Manager as set forth in Section 5.2 has been satisfactory to the Board, then the annual base salary shall be increased by the percentage increase in the Consumer price Index for All Urban Consumers (CPI-U) for Los Angeles-Riverside-Orange County for the prior calendar year, plus any additional merit-based increase that may be provided in the Board's discretion.

4.3 Effectuating Salary Adjustment. District and General Manager agree that the affirmative vote of three (3) members of Board shall be required to effectuate an increase in the salary paid to General Manager pursuant to this Agreement. This provision shall not be interpreted to require a separate affirmative vote of three (3) members of Board to approve the additional benefits specified in Section 6.0 of this Agreement.

## 5.0 PERFORMANCE EVALUATION.

5.1 Purpose. The performance review and evaluation process set forth herein is intended to provide review and feedback to General Manager so as to facilitate a more effective management of District. Nothing herein shall be deemed to alter or change the employment status of General Manager (as set forth in Section 2.3 above), nor shall this Section 5.0 be construed as requiring "cause" to terminate this Agreement, or the services of General Manager thereunder.

5.2 Annual Evaluation. Board shall review and evaluate the performance of General Manager annually on July 29 of each calendar year in 2016 and 2017, or at some other time as General Manager and Board agree. The first review and evaluation each year shall be conducted concurrently with an annual salary review, and in accordance with the purpose noted above. It shall be the obligation of General Manager to notify Board of the need to conduct the evaluation required by this Section.

5.3 Written Summary. District and General Manager agree to jointly prepare a written summary of each performance evaluation of General Manager, and to include the same in his personnel file within two (2) weeks following conclusion of the review and evaluation process, and shall schedule at least one (1) closed personnel session with General Manager to deliver and discuss the evaluation.

5.4 Goal Setting. Within 60 days of the effective date of this Agreement, the Board will participate in a goal setting session to provide General Manager with direction for the upcoming year, including, but not limited to, establishing the form for and method of evaluating the performance of General Manager. Thereafter, Board and General Manager agree that, upon mutual assent, they shall conduct a goal setting session annually in connection with the annual evaluation set forth in Section 5.2 above.

## 6.0 ADDITIONAL COMPENSATION AND BENEFITS.

6.1 Health, Life & Disability Insurance and Retirement. Except as provided in this Agreement, the District agrees to provide for the General Manager the same fringe benefits, including, but without being limited to, retirement benefits, medical, dental, and vision care plans, and other benefits which the District at any time or from time to time during the continuance of this Agreement provides for other employees of the District and upon the same

terms and conditions as those which apply to other employees or officers of the District, which fringe benefits are not included in the base salary.

6.2 Automobile Allowance. The District shall provide the General Manager with the use of an automobile for District business and shall pay all operating expenses incurred in the operation of said automobile, including insurance, gasoline and maintenance. The General Manager may use said automobile for limited reasonable personal business.

6.3 Paid Time Off or "PTO" Benefits. General Manager shall be entitled to roll over all accrued Paid Time Off ("PTO") accrued at the District as of July 29, 2015. Additionally, General Manager shall be entitled to the same PTO benefits provided to all other employees pursuant to the "Paid Leave Policy" of the District. The General Manager's service accrual shall include all time accrued during previous employment with the District

6.4 Holidays. From and after the effective date of this Agreement, General Manager shall be entitled to such holidays as are currently afforded Department Head employees, as the same may be modified for all Department Head employees by resolution of the Board from time to time.

#### 7.0 EXPENSE REIMBURSEMENT.

7.1 All business expenses reasonably incurred by the General Manager in conducting District business, including expenditures for entertainment, travel, and otherwise, are to be paid for, insofar as possible, by the use of credit cards which will be furnished to the General Manager in the name of the District. The District shall promptly reimburse the General Manager for all other reasonable business expenses incurred by the General Manager in conjunction with District business. Each such expenditure shall be reimbursable only if the General Manager furnishes to the District adequate records and other documentary evidence required by federal and state statutes and regulations issued by the appropriate taxing authorities for the substantiation of such expenditures.

#### 8.0 MISCELLANEOUS/GENERAL PROVISIONS.

District agrees that any amendment, alteration, extension, or modification to this Agreement shall be in writing, signed by the parties hereto, approved by the affirmative vote of three (3) members of the District Board with the written consent of General Manager

8.1 Entire Agreement. This Agreement represents the entire agreement between the parties and supersedes any and all other agreement, either oral or in writing, between the parties with respect to the employment of General Manager by District as of July 30, 2015 and contains all of the covenants and agreements between the parties with respect to that employment. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by either party, or anyone acting on behalf of either party, which are not embodied herein, and that no other agreement, statement of promises not contained in this Agreement shall be valid or binding upon either party.

8.2 Amendment of Agreement. District agrees that any amendment, alteration, extension, or modification to this Agreement shall be in writing, signed by the parties hereto,



approved by the affirmative vote of three (3) members of the District Board with the written consent of General Manager.

8.3 Indemnification. For the purpose of indemnification and defense of legal actions, General Manager shall be considered an employee of the District and entitled to the same rights and subject to the same obligations as are provided for all other employees of the District as set forth in Sections 825 through 825.6 and Sections 995 through 996.6 of the California Government Code.

8.4 Assignment. Neither this Agreement, nor any right, privilege, nor obligation of General Manager hereunder, shall be assigned or transferred by General Manager without the prior written consent of the District. Any attempt at assignment or transfer in violation of this provision shall, at the option of the District, be null and void and may be considered a material breach hereof. Notwithstanding this prohibition, this Agreement shall be binding upon, and inure to the benefit of, the heirs at law and executors of the General Manager.

8.5 Effect of Waiver. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

8.6 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

8.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, in full force and effect as of the date of execution.

8.8 Independent Legal Advice. District and General Manager represent and warrant to each other that each has received, to the extent desired, legal advice from independent and separate legal counsel with respect to the legal effect of this Agreement and, District and General Manager further represent and warrant that each has carefully reviewed this entire Agreement and that each and every term thereof is understood and that the terms of this Agreement are contractual and not a mere recital. This Agreement shall not be construed against the party or its representatives who drafted it, or who drafted any portion thereof.

8.9 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be personally served or shall be sufficiently given when served upon the other party as sent by United States Postal Service, postage prepaid and addressed as follows:

To District:

Attn: Board of Directors  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

To General Manager:

Dennis LaMoreaux  
c/o Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

8.9 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be personally served or shall be sufficiently given when served upon the other party as sent by United States Postal Service, postage prepaid and addressed as follows:

To District:

Attn: Board of Directors  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

To General Manager:

Dennis LaMoreaux  
c/o Palmdale Water District  
2029 East Avenue Q  
Palmdale CA 93550

w/copy to:

General Counsel  
c/o Aleshire & Wynder, LLP  
18881 Von Karman Ave., Suite 1700  
Irvine, CA 92612

Notices shall be deemed given as of the date of personal service or upon the date of deposit in the course of transmission with the United States Postal Service.

8.10 Bonding. The District shall bear the full cost of any fidelity or other bonds required of the General Manager by the Board or as required under any law or ordinance.

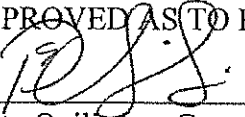
IN WITNESS WHEREOF, the PALMDALE WATER DISTRICT has caused this Agreement to be signed and executed on its behalf by its President, and duly attested by its officers thereunto duly authorized, and GENERAL MANAGER has signed and executed this Agreement, both in duplicate.

Palmdale Water District

  
Kathy MacLaren, President

Dated: 5/13/15

APPROVED AS TO FORM:

  
Patty Quilizapa, General Counsel

Dated: 5/13/15

GENERAL MANAGER

  
Dennis LaMoreaux

Dated: 5/13/15

## EXHIBIT A

### SEVERANCE AGREEMENT AND GENERAL RELEASE

#### 1.0 PARTIES

This Severance Agreement and General Release (hereinafter referred to as the "AGREEMENT") is entered into by and between the Palmdale Water District (hereinafter referred to as "THE DISTRICT"), an irrigation district organized and existing under Division 12 of the Water Code, and \_\_\_\_\_, an individual (hereinafter referred to as "GENERAL MANAGER").

#### 2.0 RECITALS

2.1. GENERAL MANAGER was hired by THE DISTRICT as an at will General Manager effective -July 30, 2015 serving at the pleasure of the Board of Directors of THE DISTRICT pursuant to a written contract, a copy of which is attached hereto as Exhibit "A" ("THE CONTRACT"). GENERAL MANAGER is currently \_\_\_\_ years old.

2.2. The employment of the GENERAL MANAGER with the DISTRICT pursuant to THE CONTRACT has terminated pursuant to Section \_\_\_\_ of THE CONTRACT. Accordingly, THE DISTRICT AND GENERAL MANAGER wish to enter into a severance agreement whereby GENERAL MANAGER receives severance compensation in exchange for executing a general release and waiver of any and all claims that GENERAL MANAGER may have against THE DISTRICT, including but not limited to its elected and non-elected officials, employees, attorneys, and agents, as the GENERAL MANAGER agreed to under the CONTRACT. Accordingly, the parties hereto intend by this AGREEMENT to mutually conclude any and all employment relationships between THE DISTRICT and GENERAL MANAGER by means of GENERAL MANAGER's voluntary separation as of \_\_\_\_\_, with this AGREEMENT setting forth the full and complete terms and conditions concluding GENERAL MANAGER's employment relationship with THE DISTRICT and any obligations related thereto, including any provided under THE CONTRACT.

2.3 In accordance with this AGREEMENT and with applicable state and federal laws, GENERAL MANAGER acknowledges that GENERAL MANAGER has been advised of GENERAL MANAGER's post-employment rights, including but not limited to, GENERAL MANAGER's rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Employee Retirement Income Security Act of 1974 ("ERISA"), and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

#### 3.0 CONSIDERATION

3.1 GENERAL MANAGER shall receive payment to him at the time of his voluntary separation all earned salary, accrued fringe benefits as detailed in THE CONTRACT, and/or all other wage compensation/benefits owed to GENERAL MANAGER upon separation of employment as required by law or THE CONTRACT or any other agreement with THE DISTRICT.

3.2. In exchange for the waivers and releases set forth herein, THE DISTRICT shall also cause to be paid to GENERAL MANAGER an additional compensatory payment by means of severance, settlement and release in the sum amount of \_\_\_\_\_ and \_\_\_\_ cents (\$\_\_\_\_\_.00), as set forth in THE CONTRACT.

#### **4.0 RELEASES**

**4.1 GENERAL MANAGER RELEASES.** In exchange for the severance payment provided for herein, GENERAL MANAGER, and on behalf of GENERAL MANAGER's spouse, heirs, representatives, successors, and assigns, hereby releases, acquits, and forever discharges THE DISTRICT, and each of its predecessors, successors, assigns, officials, employees, representatives, agents, insurers, attorneys, and all persons and entities acting by, through, under, or in concert with any of them, and each of them (hereinafter referred to as "THE DISTRICT PARTIES"), from any and all claims, charges, complaints, contracts, understandings, liabilities, obligations, promises, benefits, agreements, controversies, costs, losses, debts, expenses, damages, actions, causes of action, suits, rights, and demands of any nature whatsoever, known or unknown, suspected or unsuspected, which GENERAL MANAGER now has or may acquire in the future, or which GENERAL MANAGER ever had, relating to or arising out of any act, omission, occurrence, condition, event, transaction, or thing which was done, omitted to be done, occurred or was in effect at anytime from the beginning of time up to and including \_\_\_\_\_ (hereinafter referred to collectively as "CLAIMS"), without regard to whether such CLAIMS arise under the federal, state, or local constitutions, statutes, rules or regulations, or the common law. GENERAL MANAGER expressly acknowledges that the CLAIMS forever barred by this AGREEMENT specifically include, but are not limited to, claims based upon any alleged breach of THE CONTRACT or any other agreement of employment, any demand for wages, overtime or benefits, any claims of violation of the provisions of ERISA, COBRA or HIPAA, any alleged breach of any duty arising out of contract or tort, any alleged wrongful termination in violation of public policy, any alleged breach of any express or implied contract for continued employment, any alleged employment discrimination or unlawful discriminatory act, or any claim or cause of action including, but not limited to, any and all claims whether arising under any federal, state or local law prohibiting breach of employment contract, wrongful termination, or employment discrimination based upon age, race, color, sex, religion, handicap or disability, national origin or any other protected category or characteristic, and any and all rights or claims arising under the California Labor Code or Industrial Welfare Commission Wage Orders, the Federal Fair Labor Standards Act, the California Fair Employment and Housing Act, California Government Code §§12, 900 et seq., the Americans With Disabilities Act, Title VII of the Civil Rights Act of 1964, the Public Safety Officers Procedural Bill of Right Act, and any other federal, state, or local human rights, civil rights, or employment discrimination or employee rights statute, rule, or regulation.

**4.2 GENERAL MANAGER SPECIFIC RELEASE.** GENERAL MANAGER specifically agrees that he shall not in the future file, participate in, instigate or encourage the filing of any civil lawsuit claiming that THE DISTRICT has violated any local, state or federal laws, statutes, ordinances or regulations or claiming that the THE DISTRICT has engaged in any tortious, other state, or other federal based misconduct of any kind, based upon any events occurring prior to the date of GENERAL MANAGER's execution of this AGREEMENT. *Nothing herein shall prevent, prohibit, bar or otherwise restrict GENERAL MANAGER's*

*right to participate in, or cooperate with, any state or federal administrative investigation and/or proceeding.*

**4.3 SPECIFIC ACKNOWLEDGMENT OF WAIVER OF CLAIMS UNDER ADEA AND OWBPA.** The Age Discrimination in Employment Act of 1967 (hereinafter referred to as the "ADEA") makes it illegal for an employer to discharge any individual or otherwise discriminate with respect to the nature and privileges of an individual's employment on the basis that the individual is age forty (40) or older. The Older Workers Benefit Protection Act (hereinafter referred to as the "OWBPA," 29 U.S.C. § 626, et. seq., Pub L 101-433, 104 Stat. 978 (1990)) further augments the ADEA and prohibits the waiver of any right or claim under the ADEA, **unless the waiver is knowing and voluntary.** By entering into this AGREEMENT, GENERAL MANAGER acknowledges that he knowingly and voluntarily, for just compensation in addition to anything of value to which GENERAL MANAGER was already entitled, waives and releases any rights he may have under the ADEA and/or OWBPA. GENERAL MANAGER further acknowledges that he has been advised and understands, pursuant to the provisions of the ADEA and OWBPA, that:

(a) This waiver/release is written in a manner understood by GENERAL MANAGER;

(b) GENERAL MANAGER is aware of, and/or has been advised of, his rights under the ADEA and OWBPA, and of the legal significance of his waiver of any possible claims he currently may have under the ADEA, OWBPA and/or similar age discrimination laws;

(c) GENERAL MANAGER is entitled to a reasonable time of at least twenty-one (21) days within which to review and consider this AGREEMENT and the waiver and release of any rights he may have under the ADEA, the OWBPA and similar age discrimination laws; but may, in the exercise of his own discretion, sign or reject this AGREEMENT at any time before the expiration of the twenty-one (21) days;

(d) The waivers and releases set forth in this AGREEMENT shall not apply to any rights or claims that may arise under the ADEA and/or OWBPA **after** the EFFECTIVE DATE of this AGREEMENT;

(e) GENERAL MANAGER has been advised by this writing that he should consult with an attorney prior to executing this AGREEMENT;

(f) GENERAL MANAGER has discussed this waiver and release with, and been advised with respect thereto by, his counsel of choice, and that he does not need any additional time within which to review and consider this AGREEMENT;

(g) GENERAL MANAGER has **seven (7) days following his execution** of this AGREEMENT to revoke the AGREEMENT;

(h) Notice of revocation within the seven (7) day revocation period must be provided, in writing, to THE DISTRICT pursuant to Paragraph 8.9 herein, and must state, "I hereby revoke my acceptance of our Agreement of Severance and General Release;" and

(i) This AGREEMENT shall not be effective ten (10) days have passed since all parties, including GENERAL MANAGER's, execution of the AGREEMENT ("EFFECTIVE DATE").

**4.4 UNKNOWN CLAIMS.** For the purpose of implementing a full and complete release and discharge of THE DISTRICT, GENERAL MANAGER expressly acknowledges that this AGREEMENT is also intended to include its effect, without limitation, all claims which GENERAL MANAGER does not know of or expect to exist in his favor at the time of the execution hereof, and GENERAL MANAGER agrees that this AGREEMENT contemplates the extinguishment of any such claim, or claims. GENERAL MANAGER expressly waives and relinquishes all rights and benefits afforded by § 1542 of the Civil Code of California and understands and acknowledges the significance and consequences of such specific waiver of said provisions of law. Section 1542 of the Civil Code states as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

GENERAL MANAGER hereby waives the protection of California Civil Code section 1542.

**4.5 WAIVER OF ADDITIONAL CLAIMS.** GENERAL MANAGER hereby waives any provisions of state or federal law that might require a more detailed specification of the claims being released pursuant to the provisions of Paragraphs 3, 4, and 5 above.

**7.0 REPRESENTATIONS AND WARRANTIES**

Each of the parties to this AGREEMENT represents and warrants to, and agrees with, each other party as follows:

**7.1. Advice of Counsel:** The parties hereto have received independent legal advice from their respective attorneys concerning the advisability of entering into and executing this AGREEMENT or have been given the opportunity to obtain such advice. The parties acknowledge that they have been represented by counsel of their own choice in the negotiation of this AGREEMENT, that they have read this AGREEMENT; that they have had this AGREEMENT fully explained to them by such counsel, or have had such opportunity to do so and that they are fully aware of the contents of this AGREEMENT and of its legal effect.

**7.2. No Fraud in Inducement:** No party (nor any officer, agent, employee, representative, or attorney of or for any party) has made any statement or representation or failed to make any statement or representation to any other party regarding any fact relied upon in entering into this AGREEMENT, and neither party relies upon any statement, representation, omission or promise of any other party in executing this AGREEMENT, or in making the settlement provided for herein, except as expressly stated in this AGREEMENT.

7.3. Independent Investigation: Each party to this AGREEMENT has made such investigation of the facts pertaining to this settlement and this AGREEMENT and all the matters pertaining thereto, as it deems necessary.

7.4. Mistake Waived: In entering into this AGREEMENT, each party assumes the risk of any misrepresentation, concealment or mistake. If any party should subsequently discover that any fact relied upon by it in entering into this AGREEMENT was untrue, or that any fact was concealed from it, or that its understanding of the facts or of the law was incorrect, such party shall not be entitled to any relief in connection therewith, including without limitation on the generality of the foregoing any alleged right or claim to set aside or rescind this AGREEMENT. This AGREEMENT is intended to be, and is, final and binding between the parties, regardless of any claims of misrepresentation, promise made without the intent to perform, concealment of fact, mistake of fact or law, or any other circumstance whatsoever.

7.5. Later Discovery: The parties are aware that they may hereafter discover claims or facts in addition to or different from those they now know or believe to be true with respect to the matters related herein. Nevertheless, it is the intention of the parties that GENERAL MANAGER fully, finally and forever settle and release all such matters, and all claims relative thereto, which do now exist, may exist or have previously existed against THE DISTRICT or THE DISTRICT PARTIES. In furtherance of such intention, the releases given here shall be, and remain, in effect as full and complete releases of all such matters, notwithstanding the discovery or existence of any additional or different claims or facts relative thereto.

7.6. Indemnification: GENERAL MANAGER agrees to indemnify and hold harmless THE DISTRICT or THE DISTRICT PARTIES from, and against, any and all claims, damages, or liabilities sustained by them as a direct result of the violation or breach of the covenants, warranties, and representations undertaken pursuant to the provisions of this AGREEMENT. GENERAL MANAGER understands and agrees that he shall be exclusively liable for the payment of all taxes for which he is responsible, if any, as a result of his receipt of the consideration referred to in Paragraph 3 of this AGREEMENT. In addition, GENERAL MANAGER agrees fully to indemnify and hold THE DISTRICT PARTIES harmless for payment of tax obligations as may be required by any federal, state or local taxing authority, at any time, as a result of the payment of the consideration set forth in Paragraph 3 of this AGREEMENT.

7.7. Future Cooperation & Consultation fees: GENERAL MANAGER shall execute all such further and additional documents as shall be reasonable, convenient, necessary or desirable to carry out the provisions of this AGREEMENT. GENERAL MANAGER shall provide THE DISTRICT with consultation services (including deposition or trial testimony) in any litigation involving THE DISTRICT which is reasonably related to acts or occurrences transpiring during his employment. Said services shall be provided as needed by THE DISTRICT at a rate of \$100.00 per hour.

7.8. Return of Confidential Information and Property: Prior to the separation date, GENERAL MANAGER shall submit a written inventory of, and return to THE DISTRICT Clerk, all District keys, equipment, computer identification cards or codes, and other equipment or materials or confidential documents provided to or obtained by GENERAL MANAGER during the course of his employment with THE DISTRICT.

7.9 No Pending Claims and/or Actions: GENERAL MANAGER represents that he has not filed any complaints or charges against THE DISTRICT or THE DISTRICT PARTIES with any local, state or federal agency or court; that he will not do so at any time hereafter for any claim arising up to and including the EFFECTIVE DATE of this AGREEMENT; and that if any such agency or court assumes jurisdiction of any such complaint or charge against THE DISTRICT or THE DISTRICT PARTIES on behalf of GENERAL MANAGER, whenever or where ever filed, he will request such agency or court to withdraw from the matter forthwith.

7.10. Ownership of Claims: GENERAL MANAGER represents and warrants as a material term of this AGREEMENT that GENERAL MANAGER has not heretofore assigned, transferred, released or granted, or purported to assign, transfer, release or grant, any of the CLAIMS disposed of by this AGREEMENT. In executing this AGREEMENT, GENERAL MANAGER further warrants and represents that none of the CLAIMS released by GENERAL MANAGER thereunder will in the future be assigned, conveyed, or transferred in any fashion to any other person and/or entity.

7.11 Enforcement Fees and Costs: Should any legal action be required to enforce the terms of this AGREEMENT, the prevailing party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief to which that party may be entitled.

7.12 Authority: Each party represents to the other that it has the right to enter into this AGREEMENT, and that it is not violating the terms or conditions of any other AGREEMENT to which they are a party or by which they are bound by entering into this AGREEMENT. The parties represent that they will obtain all necessary approvals to execute this AGREEMENT. It is further represented and agreed that the individuals signing this AGREEMENT on behalf of the respective parties have actual authority to execute this AGREEMENT and, by doing so, bind the party on whose behalf this AGREEMENT has been signed.

## 8.0 MISCELLANEOUS

8.1. No Admission: Nothing contained herein shall be construed as an admission by THE DISTRICT of any liability of any kind. THE DISTRICT denies any liability in connection with any claim and intends hereby solely to avoid potential claims and/or litigation and buy its peace.

8.2. Governing Law: This AGREEMENT has been executed and delivered within the State of California, and the rights and obligations of the parties shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

8.3. Full Integration: This AGREEMENT is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This AGREEMENT may be amended only by a further agreement in writing, signed by the parties hereto.

8.4. Continuing Benefit: This AGREEMENT is binding upon and shall inure to the benefit of the parties hereto, their respective agents, spouses, employees, representatives, officials, attorneys, assigns, heirs, and successors in interest.



8.5. Joint Drafting: Each party agrees that it has cooperated in the drafting and preparation of this AGREEMENT. Hence, in any construction to be made of this AGREEMENT, the parties agree that same shall not be construed against any party.

8.6. Severability: In the event that any term, covenant, condition, provision or agreement contained in this AGREEMENT is held to be invalid or void by any court of competent jurisdiction, the invalidity of any such term, covenant, condition, provision or agreement shall in no way affect any other term, covenant, condition, provision or agreement and the remainder of this AGREEMENT shall still be in full force and effect.

8.7. Titles: The titles included in this AGREEMENT are for reference only and are not part of its terms, nor do they in any way modify the terms of this AGREEMENT.

8.8. Counterparts: This AGREEMENT may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one AGREEMENT, which shall be binding upon and effective as to all parties.

8.9. Notice: Any and all notices given to any party under this AGREEMENT shall be given as provided in this paragraph. All notices given to either party shall be made by certified or registered United States mail, or personal delivery, at the noticing party's discretion, and addressed to the parties as set forth below. Notices shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following deposit of the same in the United States mail.

**As to GENERAL MANAGER:**

At GENERAL MANAGER's home address on file with THE DISTRICT.

**As to THE DISTRICT:**

Board of Directors  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, California 93550

**IN WITNESS WHEREOF**, THE DISTRICT has caused this AGREEMENT to be signed and executed on its behalf by its President and duly attested by its Board Secretary, GENERAL MANAGER has signed and executed this Agreement, and the attorneys for THE DISTRICT and GENERAL MANAGER, if any, have approved as to form as of the dates written below.

DATED: \_\_\_\_\_

GENERAL MANAGER

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

THE DISTRICT

DATED: \_\_\_\_\_

By: \_\_\_\_\_  
XXXXXXXXXX, President

ATTEST:

\_\_\_\_\_  
XXXXXXXXXX, Board Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: \_\_\_\_\_  
Patricia J. Quilizapa, General Counsel

[EMPLOYEE's LAW FIRM]

By: \_\_\_\_\_  
[Counsel]

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## Databases, Tables & Calculators by Subject

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Data extracted on: July 19, 2016 (10:18:43 AM)

### Consumer Price Index - All Urban Consumers

Series Id: CUURA421SA0, CUUSA421SA0

Not Seasonally Adjusted

Area: Los Angeles-Riverside-Orange County, CA

Item: All items

Base Period: 1982-84=100

Download: .xlsx

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	211.4	211.1	210.6	210.4	209.3	211.6
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373	217.338	216.260	218.416
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	224.377	225.638
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.671	249.947								248.355	

1.83%

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**RE:     *AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION  
ON OUTREACH ACTIVITIES.***

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

**AMERICAN WATER COLLEGE “MANAGEMENT & SUPERVISORY  
LEADERSHIP TRAINING PROGRAM”**  
**September 20 - 22, 2016**  
**Irvine**

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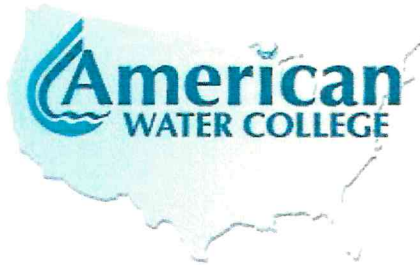
TOTAL REMAINING BALANCE. \_\_\_\_\_

Please review these limitations.

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

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## MANAGEMENT & SUPERVISORY LEADERSHIP TRAINING PROGRAM

*(Hosted by Irvine Ranch Water District)*  
September 20 - 22, 2016

**20 Contact Hours approved for license renewal**

*The management institute is for anyone in a leadership position. This affordable three-day course will teach you how to put effective management and supervisory skills to work for you and your organization. You'll learn to make better leadership decisions, communicate more effectively, avoid costly mistakes and get the results you want. Plan on attending yourself or sending other managers and supervisors (or prospective managers and supervisors) who would benefit from this superior skills program.*

The three-day course includes: (classes meet each day from 8:00 a.m. to 5:00 p.m.)

- **Section 1 - The Art of Leadership.** Provides participants with knowledge of contemporary leadership principles, essential skills and general functions of management and the role of the manager.
- **Section 2 - The Leader's Role in Performance Management.** Provides models of communication and giving and receiving feedback. Offers opportunities to practice clarifying expectations, establishing standards, rewarding outstanding performance, and correcting unacceptable output while overcoming resistance.
- **Section 3 - The Leadership of Change.** Designed to help managers fully understand the nature and necessity of change, its impact on people, and how to meet the challenge it presents. Participants learn strategies that help speed up the process and minimize the productivity decline. Emphasis is placed on coaching and leading a team through a complex change situation.

- **Section 4 - Managing Conflict.** This workshop emphasizes skills needed in purposely and appropriately managing conflict, understanding and benefiting from emotions, converting mind-body integration principles into powerful tools, recognizing and expanding perceptions, operating from purpose and developing powerful conflict resolution communication methods.
- **Section 5 - Collaboration and Teams.** Effectively working with others is essential to maintaining a good work environment and efficient operations. How we communicate can either promote an effective team or cause barriers and conflict. This segment will provide training in tools proven to enhance communication skills. It will show participants how to communicate effectively with different personalities, diffuse emotional issues, and communicate in ways that build confidence and promote cooperation. The strengths and weaknesses of four communication styles will be examined. Practical exercises will be used to help participants learn to communicate more effectively in either a management or staff role.

## **Fees, Location & Registration Form**

**Fee:** The fee for the three-day course is **\$499.00**, which includes all instruction, workbook, and handout materials.

**Certification:** A formal certificate will be prepared for participants who successfully complete the required course objective. This certificate is prepared and presented by Public Utilities and Waterworks Management Institute. An optional university certification is also available for the extra fee of **\$50** per participant and is presented by Utah State University. This Management/Leadership certificate is primarily for those needing university certification to meet training requirements for various professional affiliations. However, any participant desiring to receive a university certificate may do so by paying the **\$50** fee.

**Location:**     **Community Meeting Room at  
15500 Sand Canyon Avenue  
Irvine, CA 92618             (Driving Directions will be provided)**

**-Hotel recommendations available upon request-**

*For further information, contact Chuck Christensen at 208-957-5350 or [chuck@puwwmi.org](mailto:chuck@puwwmi.org)*

**\*\*\*To reserve your seat, complete the registration form below and send it along with your payment information to Education & Training Services.\*\*\***

# REGISTRATION FORM

**Management & Supervisory Leadership Training Program  
September 20 - 22, 2016 (Irvine, CA)**

**Name**\_\_\_\_\_

**Business Name**\_\_\_\_\_

**Business Address**\_\_\_\_\_

**City/State/Zip**\_\_\_\_\_

**Business Phone**\_\_\_\_\_ **Email Add.**\_\_\_\_\_

**Payment Fee: \$499.00 per student (Do you want the optional university certification?**

**Yes**\_\_\_\_ **No**\_\_\_\_)

**If yes to optional university certification, the total fee is \$549.00**

**Please make check payable to: EDUCATION & TRAINING SERVICES**

**Mail check to:**

**EDUCATION & TRAINING SERVICES  
PUBLIC UTILITIES & WATERWORKS MANAGEMENT INSTITUTE  
P.O. BOX 495  
SALT LAKE CITY, UTAH 84110  
ATTN: ACCOUNTS RECEIVABLE**

**\*Call or email Chuck Christensen (see above) to make sure class is not full.**

**AMERICAN WATER COLLEGE "ADVANCED MANAGEMENT &  
SUPERVISORY LEADERSHIP TRAINING PROGRAM"**  
**September 20 – 22, 2016**  
**Pasadena**

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

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_

MEALS:     \_\_\_YES         SPOUSE:     \_\_\_YES         SPOUSES' TOUR:     \_\_\_YES  
             \_\_\_NO                 \_\_\_NO                 \_\_\_NO

**DEPARTMENTAL TRAVEL BUDGET:**

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

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

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

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

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

Please review these limitations.

**HOTEL ACCOMMODATIONS:**   \_\_\_YES   \_\_\_NO   REGISTRATION DEADLINE: \_\_\_\_\_

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

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

**AIRLINE RESERVATIONS:**         \_\_\_YES         \_\_\_NO

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

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

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





## **ADVANCED MANAGEMENT & SUPERVISORY LEADERSHIP TRAINING PROGRAM**

*(Hosted by City of Pasadena, Water and Power Department)*  
**Pasadena, California**  
**September 20 - 22, 2016**

**20 Contact Hours approved for license renewal**

*The Advanced Course is a series of skill-building days designed to help understand management's changing role in today's business climate. Leadership principles and challenges will be discussed; individual and team exercises will support specific skill training; discussions of the future of management and organizations will be central to the learning experience.*

The three-day course includes: (classes meet each day from 8:00 a.m. to 5:00 p.m.)

**SECTION 1: LEADERSHIP REVIEW.** A review of leadership principles and what it takes to be an effective leader in the Utility Industry.

**SECTION 2: CRITICAL THINKING SKILLS FOR PROBLEM RESOLUTION AND INNOVATION.** Few of us have had any formal education in "Thinking." We tend to be unaware of the ways our current thinking processes determine the kind of results we are getting. This Course will explore the roots of current methods of thinking and how they serve us and how they limit our options. We will explore new methods of thinking called Parallel Thinking and Lateral Thinking as alternatives with greater benefits. These methods will give immediate results. They are simple to use and very empowering.

**SECTION 3: DECISION MAKING.** As managers we spend our days making decisions. How do you determine the quality of your decision making process/the quality of your outcomes? Do you have a way of determining whether something should even be a decision? We will explore methods and perspectives that will support your individual and group decision making ability.

**SECTION 4: COACHING AND MENTORING SKILLS.** **Coaching** is a process that enables learning and development to occur and thus improve individual performance. This course will provide an overview of effective styles, techniques and skills required to enhance individual performance. **Mentoring** shares many aspects of coaching but is often focused on significant personal transitions in knowledge, work or thinking. This class will look at the bottom line contribution of mentoring to the individual. Participants will be exposed to a few tools and methods to use for effective mentoring.

### **Fees, Location & Registration Form**

**Fee:** The fee for the three-day course is **\$499.00**, which includes all instruction, workbook, and handout materials.

**Certification:** A formal certificate will be prepared for participants who successfully complete the required course objective. This certificate is prepared and presented by Public Utilities and Waterworks Management Institute. An optional university certification is also available for the extra fee of **\$50** per participant and is presented by Utah State University. This Management/Leadership certificate is primarily for those needing university certification to meet training requirements for various professional affiliations. However, any participant desiring to receive a university certificate may do so by paying the **\$50** fee.

**Location:**    **City Yards - Water and Power Building**  
                  **1st Floor Training Room (Section C & D)**  
                  **245 West Mountain Street**  
                  **Pasadena, CA 91103            (Driving Directions will be provided)**

**-Hotel recommendations available upon request-**

*For further information, contact Chuck Christensen at 208-957-5350 or [chuck@puwwmi.org](mailto:chuck@puwwmi.org)*

**\*\*\*To reserve your seat, complete the registration form below and send it along with your payment information to Education & Training Services.\*\*\***



# REGISTRATION FORM

**Advanced Management & Supervisory Leadership Training Program  
September 20 - 22, 2016 (Pasadena, CA)**

**Name**\_\_\_\_\_

**Business Name**\_\_\_\_\_

**Business Address**\_\_\_\_\_

**City/State/Zip**\_\_\_\_\_

**Business Phone**\_\_\_\_\_ **Email Add.**\_\_\_\_\_

**Payment Fee: \$499.00 per student (Do you want the optional university certification?  
Yes\_\_\_\_\_ No\_\_\_\_\_)**

**If yes to optional university certification, the total fee is \$549.00**

**Please make check payable to: EDUCATION & TRAINING SERVICES**

**Mail check to:**

**EDUCATION & TRAINING SERVICES  
PUBLIC UTILITIES & WATERWORKS MANAGEMENT INSTITUTE  
P.O. BOX 495  
SALT LAKE CITY, UTAH 84110  
ATTN: ACCOUNTS RECEIVABLE**

**\*Call or email Chuck Christensen (see above) to make sure class is not full.**

**ACWA'S 2016 REGULATORY SUMMIT**  
**WATER AND ENERGY: BEYOND THE NEXUS**  
**October 3 - 4, 2016**  
**Sacramento**

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

ADVANCE REGISTRATION DEADLINE: \_\_\_\_\_ September 26, 2016

MEALS:     \_\_\_YES         SPOUSE:     \_\_\_YES         SPOUSES' TOUR:     \_\_\_YES  
             \_\_\_NO                 \_\_\_NO                 \_\_\_NO

**DEPARTMENTAL TRAVEL BUDGET:**

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

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

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

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

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

Please review these limitations.

**HOTEL ACCOMMODATIONS:**   \_\_\_YES   \_\_\_NO   REGISTRATION DEADLINE: 9-19-16

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

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

**AIRLINE RESERVATIONS:**   \_\_\_YES   \_\_\_NO

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

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

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

# ACWA's 2016 REGULATORY

## Summit

**Water and Energy: Beyond the Nexus**

October 3–4, 2016 • Hilton Sacramento Arden West, Sacramento

## Join us for ACWA's 2016 Regulatory Summit on October 3–4 at the Hilton Sacramento Arden West in Sacramento, CA

Driven by statewide greenhouse gas emissions reduction goals, aggressive renewable energy targets, and increased customer generation, California's energy grid is undergoing a major transformation. But what does this mean for water agencies? Are these changes a threat or an opportunity? Learn about the regulatory changes that are being made to address the challenges posed by increased amounts of renewable energy in the state's energy mix, the impact these changes could have on your agency, and some of the innovative ways that water agencies around the state are taking advantage of new opportunities to provide energy grid services.

### OPTIONAL TOUR - OCTOBER 3, 2016

Participate in a tour of Placer County Water Agency - Middle Fork Project Hydroelectric Facilities (*space is limited*)

Join us for a Networking Reception immediately following the tour at the Hilton Sacramento Arden West.

Registration and event information available at [www.acwa.com](http://www.acwa.com)

Premier Sponsor



Aspen Environmental Group is an expert interdisciplinary environmental services firm focused on providing services for water and energy infrastructure projects.

**Questions?** Please contact ACWA's Member Services & Events at [events@acwa.com](mailto:events@acwa.com) or 916.441.4545.

ALL PROGRAMS ARE SUBJECT TO CHANGE WITHOUT NOTICE.  
PLEASE VISIT [WWW.ACWA.COM](http://WWW.ACWA.COM) FOR MORE INFORMATION.



### REGISTRATION

Online registration available at  
[www.acwa.com](http://www.acwa.com)

Regular registration and  
cancellation deadline is  
**September 26, 2016,**  
4:30 p.m. (PST).

#### Advantage Pricing

Regular: \$250 Onsite: \$270

#### Standard Pricing

Regular: \$375 Onsite: \$395

Program materials, continental breakfast  
and lunch are included.

To be eligible for "Advantage" Pricing you  
MUST be an ACWA Public Agency member,  
Associate or Affiliate.



### HOTEL

Hilton Sacramento Arden West  
2200 Harvard Street  
Sacramento, CA 95815

Phone: 916-922-4700

Group Rate: \$139/night  
(subject to applicable state & local  
taxes/assessments)

The cut-off date to receive this special  
rate is **September 19, 2016.**

Make your reservation online at:  
[http://www.hilton.com/en/hi/groups/  
personalized/S/SMFHIHF-ACW-20161003/  
index.jhtml?WT.mc\\_id=POG](http://www.hilton.com/en/hi/groups/personalized/S/SMFHIHF-ACW-20161003/index.jhtml?WT.mc_id=POG)  
Group Code: **ACW**



### EXHIBITORS

There will be a tabletop exhibit  
area during the summit. For more  
information, please contact Melanie  
Medina at [MelanieM@acwa.com](mailto:MelanieM@acwa.com)  
or call 916-441-4545.



**Association of  
California Water Agencies**  
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**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 6, 2016:**

*A meeting of the Finance Committee of the Palmdale Water District was held Monday, June 6, 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:**

Matt Knudson, Assistant General Manager

Mike Williams, Finance Manager

Dennis Hoffmeyer, Accounting Supervisor

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 to adopt the agenda, as written.

**3) Public Comments.**

There were no public comments.

**4) Action Items:**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held May 10, 2016.**

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried to approve the minutes of the Finance Committee meeting held May 10, 2016, as written.

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

Finance Manager Williams reviewed the investment funds report as of April, 2016, including the increase in cash of approximately \$2 million due to assessments received and then provided an overview of the cash flow statement for April, including

assessments received and Department of Water Resources' refunds, and stated that the projected year-end balance is tracking as planned.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for April, 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 April, 2016; stated that most departments are operating at or below the targeted expenditure percentage of 33%; and then reviewed department line items above the targeted expenditure percentage followed by discussion of monies available under the Water Revenue Series 2013A Bonds, uncollectible accounts, health insurance tracking higher due to funding of HSA accounts, and operating expenses for Directors.

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

Assistant General Manager Knudson reviewed the purpose and status of the Committed Contracts and Payout Schedule, which includes approved 2016 engineering projects, projects contractually committed, budgeted but not yet committed projects listed in order of priority, and payments for projects funded from the Water Revenue Series 2013A Bonds.

**4.5) Discussion and Overview of Water Budget Rate Structure and 2014 Water Rate Plan Adopted September 17, 2014. (General Manager LaMoreaux)**

Assistant General Manager Knudson provided an overview of Resolution No. 14-16 Approving Changes in Rates, Fees, and Charges for Water Service after which Finance Manager Williams provided an overview of the District's water budget rate structures and Water Rate Plan prepared by Bartle Wells and adopted by the Board of Directors September 17, 2014 including recommendations to build reserves and the need for consistent rate increases approved in the Water Rate Plan in order to issue bonds needed for water supply and infrastructure projects followed by discussion of the public outreach process for the Water Rate Plan, understanding the indoor and outdoor allocation, and including more information in The Pipeline and on the website regarding the allocation.

**4.6) Discussion and Possible Action on Long Term Financial Planning and Adoption of Remaining Three Years of Approved Proposition 218 Water Rate Plan. (Assistant General Manager Knudson/Finance Manager Williams)**

Assistant General Manager Knudson stated that as discussed under Agenda Item No. 4.5, the Board of Directors adopted the Water Rate Plan accepting the recommendations of Bartle Wells on September 17, 2014; that these recommendations are discarded during annual budget discussions, and the focus becomes only meeting financial needs for the current budget year; and that to avoid this short term planning strategy, staff recommends a Resolution implementing the 5.5% water rate increase approved in the Water Rate Plan for calendar years 2017, 2018, and 2019 be adopted as a long term planning strategy to enable the District to secure low interest loans, funding, and bonds to complete the Palmdale Regional Recharge & Recovery Project and the Littlerock Sediment Removal Project.

He continued that this foresight into long range planning will enable the Board to convey to the ratepayers that the new Water Rate Plan for years 2020 – 2025 will forecast a minimal 3% water rate increase for each of those five years, will ensure the District continues to meet minimum targets for Debt Service Coverage and reserves, and will demonstrate the District's ability to repay low interest state loans.

After a brief discussion of accepting staff's and Bartle Wells' recommendation, the minimal protests and public comments received on the 2014 Water Rate Plan, the salary survey, and of presenting this item to the full Board for consideration, Chair Henriquez requested an additional meeting with General Manager LaMoreaux, Assistant General Manager Knudson, and Finance Manager Williams for an in-depth review and discussion of the District's water budget rate structure, extensive salary survey conducted by Human Resources Director Emery, CSDA's salary survey, and hiring a consultant in addition to Financial Advisor Egan and Finance Manager Williams to determine areas where costs can be reduced.

Finance Manager Williams then stated that staff will present a five-year review of the District's operating expenses, which have been flat since 2009, at the next Committee meeting.

The method and rate increases for the Sanitation Districts, the higher rates of Los Angeles County Waterworks and Quartz Hill Water District, the need for long-term



planning, and the damaging effects of delaying rate increases experienced by neighboring water agencies were then discussed.

Committee Member Alvarado then requested a bullet list of all reasons supporting the adoption of the remaining three years of the Water Rate Plan for discussion at the next Committee meeting.

**5) Information Items.**

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

Finance Manager Williams reviewed the District's Debt Service Coverage, which is at 1.25 as of April 30.

**5.2) Other.**

Finance Manager Williams informed the Committee that the Audit was accepted in draft form; that GASB 68 and 71 numbers in the Audit will be updated when CalPERS issues its 2016 numbers; that the auditors have issued a letter stating same; and that this information has been posted on the District's website.

He then informed the Committee that 2016 revenue projects were based on 16,500 acre feet of water; that as of May, revenues are lower than expected; and that the Drought Surcharge Fee will need to be continued to reduce the gap between projected and actual revenues followed by discussion of Department of Water Resources' charges and refunds.

There were no other information items.

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

Committee Member Alvarado requested the financial impact of replacing the District's aging fleet after which it was stated that a lease option item will be discussed at next week's Facilities Committee meeting.

There were no further requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held July 12, 2016 at 3:30 p.m.

7) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:35 p.m.



Chair

## **MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 14, 2016:**

*A meeting of the Personnel Committee of the Palmdale Water District was held Tuesday, June 14, 2016 at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Mac Laren called the meeting to order at 10:10 a.m.*

### **1) Roll Call.**

#### **Attendance:**

Personnel Committee:  
Kathy Mac Laren, Chair  
Vincent Dino, Committee  
Member

#### **Others Present:**

Matt Knudson, Assistant General Manager  
Marco Henriquez, PWD Director  
Jennifer Emery, Human Resources Director  
Mike McNutt, PIO/Conservation Director  
Dawn Deans, Executive Assistant  
0 members of the public

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

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

### **3) Public Comments.**

There were no public comments.

### **4) Action Items:**

#### **4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held September 28, 2015.**

It was moved by Committee Member Dino, seconded by Chair Mac Laren, and unanimously carried to approve the minutes of the Personnel Committee meeting held September 28, 2015, as written.

#### **4.2) Consideration and Possible Action on Approval of Organizational Changes. (Human Resources Director Emery)**

Human Resources Director Emery provided an overview of recommended revisions to the District's Organizational Chart to continue the process of consolidating

maintenance under the Facilities Department, continue creating a long term vision of the District's personnel structure, to shift resources based on the District's needs, and to create a succession plan, and after a brief discussion of staff's recommendations, of areas of responsibilities, of PIO/Conservation Director McNutt's request for assistance, of budget considerations, of the District's location, of voluntary public information assistance from outside organizations, and of continuing efforts to reduce costs, it was moved by Committee Member Dino, seconded by Chair Mac Laren, and unanimously carried that the Committee concurs with staff's recommendation to revise the District's Organizational Chart with additional revisions and that the Organizational Chart be presented to the full Board for consideration at the June 22, 2016 Regular Board Meeting.

**5) Project Updates.**

**5.1) Other.**

There were no other items for discussion.

**6) Information Items.**

There were no further information items.

**7) Public Comments on Closed Session Agenda Matters.**

There were no public comments on closed session agenda matters.

**8) Closed session under:**

**8.1) Conference with Committee – Public Employee Appointment/Employment Performance Evaluation: A Closed Session Will be Held, Pursuant to Government Code §54957, to Conduct an Employee Evaluation for the Position of General Manager.**

At 11:18 a.m., Chair Mac Laren called for a closed session pursuant to Government Code §54957, to conduct an employee evaluation for the position of General Manager.

She reconvened the regular meeting at 11:22 a.m.

**9) Public Report of Any Action Taken in Closed Session.**

Chair Mac Laren stated that a closed session was held pursuant to Government Code §54957, to conduct an employee evaluation for the position of General Manager; that the Committee discussed the employee evaluation for the General Manager; but that no reportable action was taken.

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

Bilingual issues, benefits, and streamlining job duties to create even greater efficiency as employees retire were briefly discussed, and there were no requests for future agenda items.

**11) Adjournment.**

There being no further business to come before the Personnel Committee, the meeting was adjourned at 11:30 a.m.

  
Chair



# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** July 20, 2016

**July 27, 2016**

**TO:** BOARD OF DIRECTORS

**Board Meeting**

**FROM:** Mr. Dennis D. LaMoreaux, General Manager

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

---

The following is the June report to the Board of activities through June, 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***

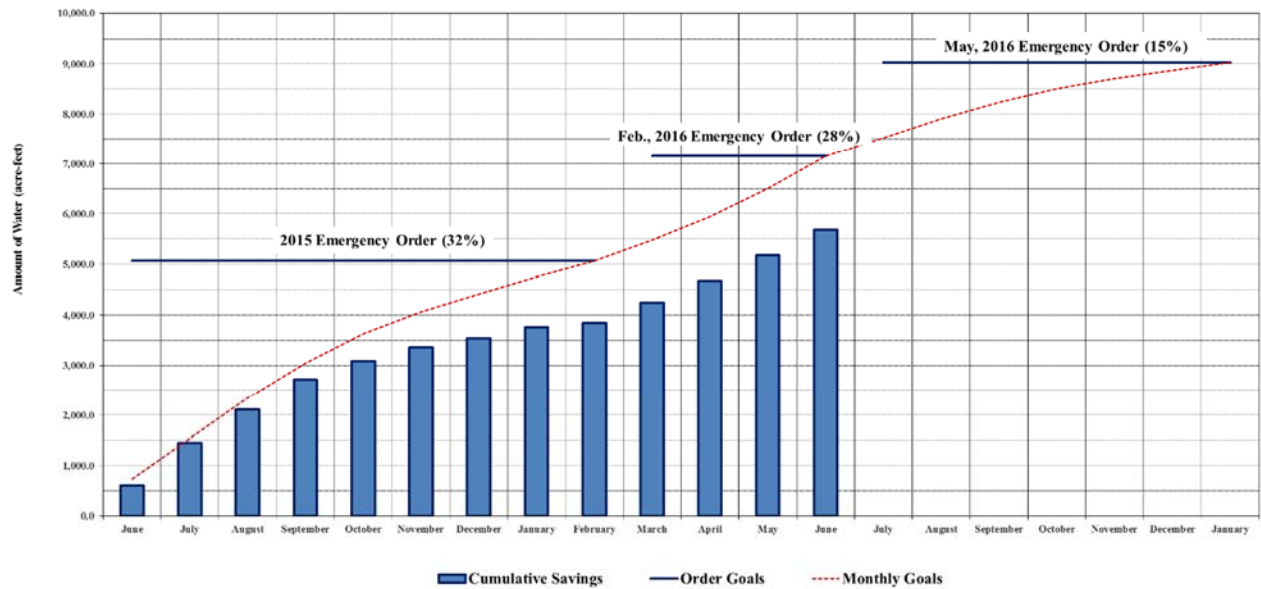
This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

#### **2015 and 2016 SWRCB Emergency Drought Orders**

- The District customers' cumulative water saving from June, 2015 to the end of June, 2016 as compared to 2013 is 24.4%. The June, 2016 numbers alone show a 22.0% or 503.3 AF of savings. The SWRCB's May 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<sup>th</sup> 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 effect of this new Order and resolution is shown on the following graph.

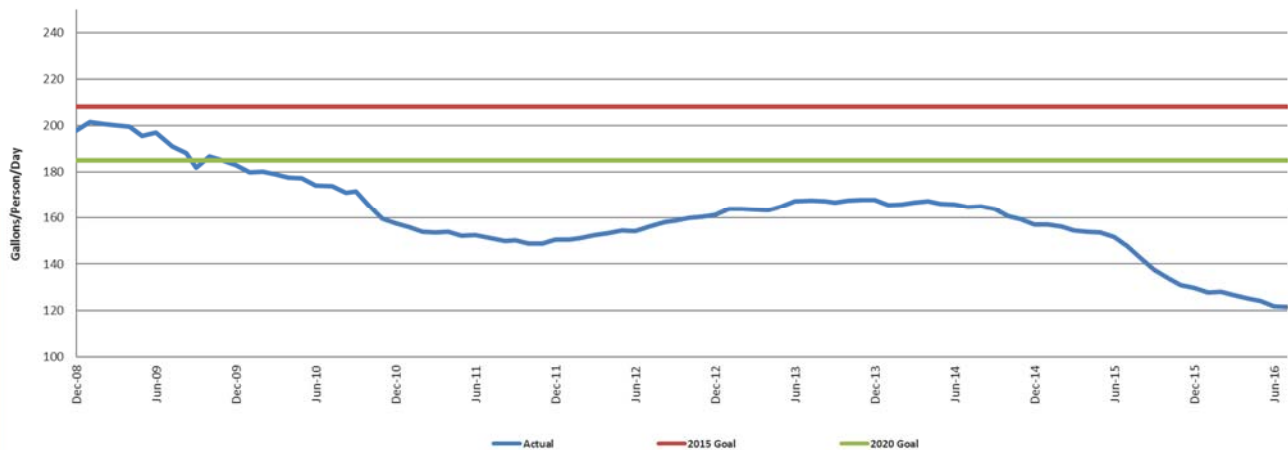


**PWD SWRCB Emergency Orders Water Production Reduction Status (2015-2016)**



The District's long-term conservation efforts can easily be seen in the chart titled "PWD 12-Month Running Average Total Per Capita Water Use." It has been updated to reflect calculations in the 2015 Urban Water Management Plan. The current Total-GPCD is 121. The District's customers have actually cut their water use by nearly 48% from the current baseline number of 231. The "Historic R-GPCD Comparison" shows that the District's customers have reached 133.6 R-GPCD in June, 2016. This remains very close to the average for the South Lahotan region and lower than most other local agencies.

**PWD 12-Month Running Average Total Per Capita Water Use**



**Historic R-GPCD Comparison\***

Emergency Order Period	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)	65.5	(38.2)
March	144.5	-	105.8	(26.8)	76.3	(47.2)
April	169.3	-	124.4	(26.5)	89.5	(47.1)
May	204.4	-	145.3	(28.9)	108.5	(46.9)
June	239.8	-	170.9	(28.7)	133.6	(44.3)
July	267.6	-	184.7	(31.0)		
August	261.1	-	180.0	(31.0)		
September	198.9	-	164.5	(17.3)		
October	157.7	-	130.2	(17.4)		
Averages**	172.6		128.6	(24.2)	98.5	(42.7)

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 = 121 or 48% Reduction

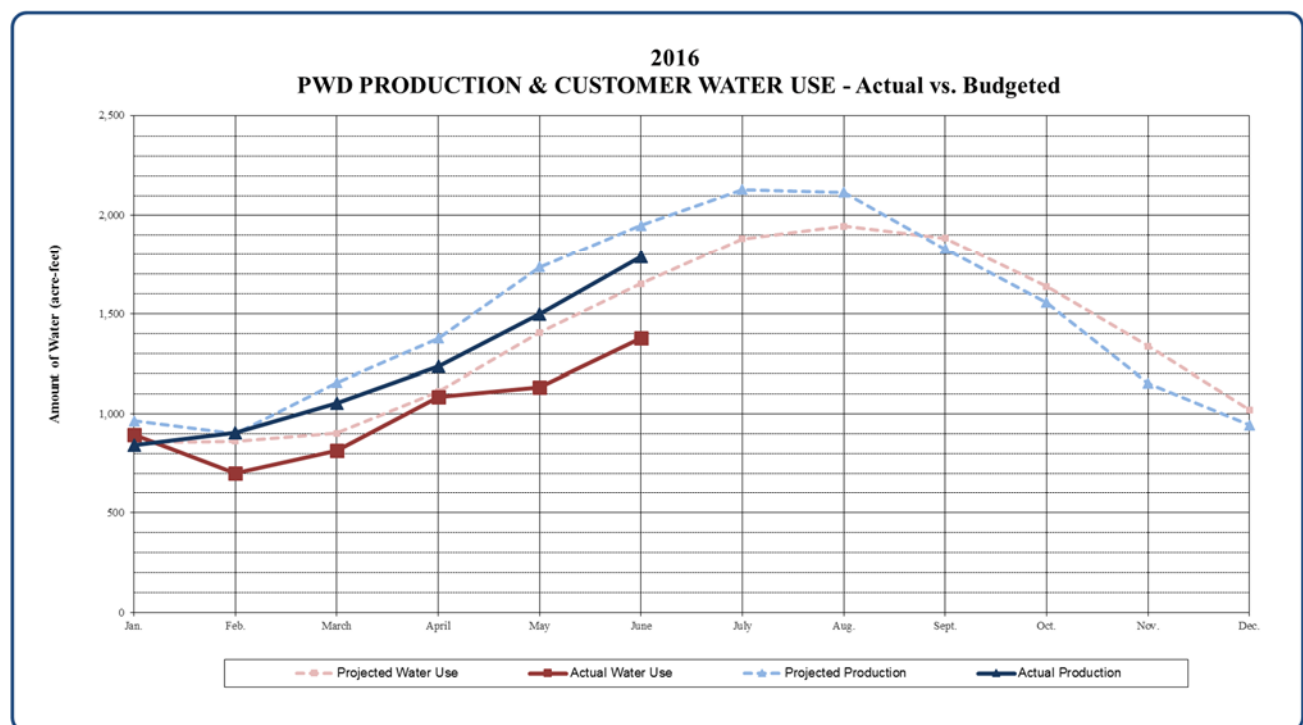
The District is in the process of informing our customers about the changes in conservation measures. The education will emphasize the current rules for outdoor water usage while also reassuring customers whose water use is within Tier 1, indoor allocation, that they are doing their part to meet the State requirement. 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	-51.6
2	Estes	22	3.4	Yes	-32.4
3	Henriquez	10	5.2	Yes	-14.1
4	Mac Laren	10	8.3	Yes	58.8
5	Dino	10	4.4	Yes	-80.3

### 2016 Water Supply Information

- The staff has planned water resources for 2016 based on the current State Water Project allocation of 60%. The March set of storms in northern California led to the increased allocation.
- 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 June actual amounts and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year.



### 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 now runs through the end of June, 2016. A public meeting/workshop was held on May 19<sup>th</sup> from 6:00 to 9:00 pm as an opportunity for public comment. Aspen Environmental is now working on responses to comments received in the process.
- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete, and the

comments received are being reviewed and addressed. The Preliminary Design Report and the Title 22 Report have been prepared and submitted to the appropriate agencies for review. The Blue-Ribbon panel will meet again soon. The Final EIR was certified by the Board on July 13<sup>th</sup> and the Notice of Determination was filed shortly thereafter.



### ***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. Some staff training was done and more is scheduled in the near future. It is planned to be initially used in the third quarter of 2016.
- Regular small group meetings with management were started and will continue on a regular basis to follow-up on the 2015 Cultural Survey.
- 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.

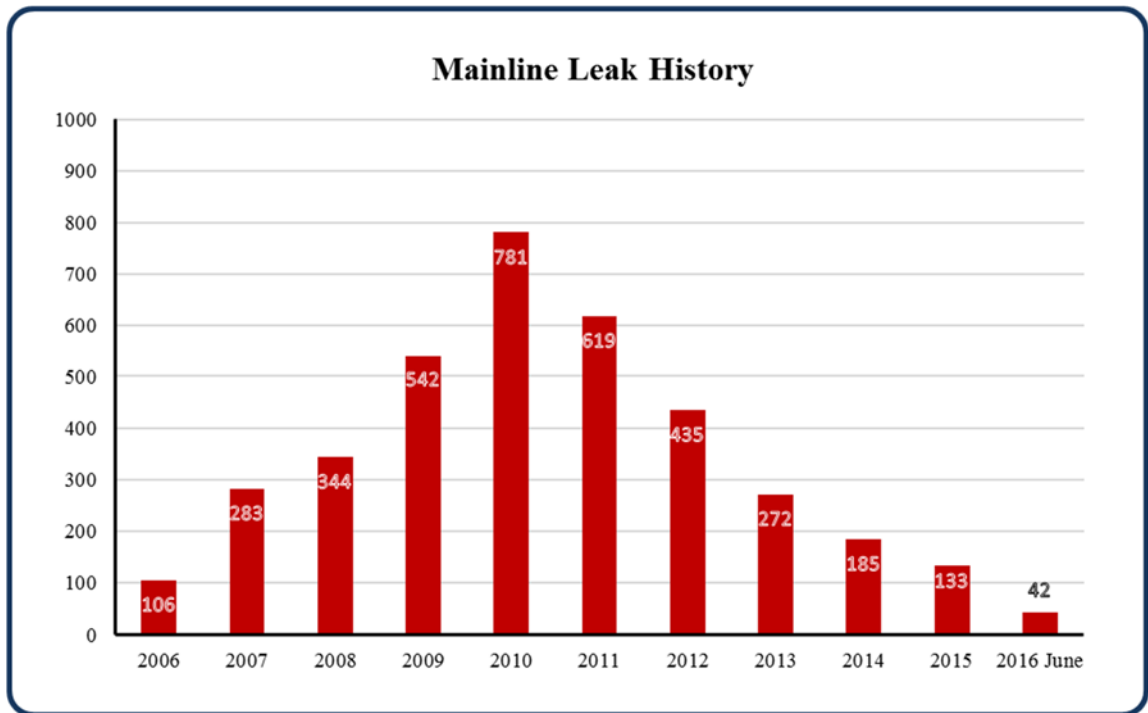


### ***Systems Efficiency***

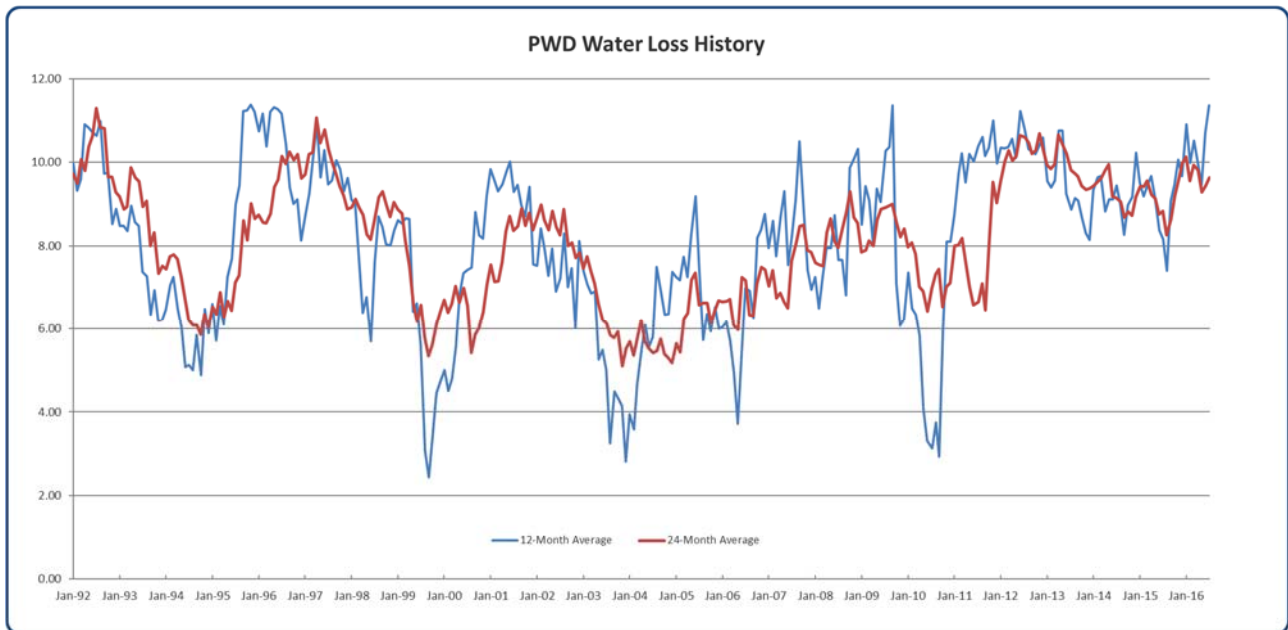
This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- Installation of the long awaited security upgrades for the headquarters and maintenance areas is nearing completion.
- 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 is off to a good start with a total of 42 mainline and 48 service line leaks through the end of June.



- Material problems appear to have caused leaks on the recently completed water main replacement in Tierra Subida Avenue. Staff is investigating the cause and working to ensure it is corrected.
- The next replacement project will occur in El Camino Drive south of Lakeview Drive and will be followed by the area south of Avenue Q near 15<sup>th</sup> Street East.
- The effect of both water main and water meter replacement is shown on the chart titled “PWD Water Loss History.” It has been adjusted to reflect the District’s water production and consumption separate from the water treated on behalf of AVEK. The percentage of unaccounted water or water loss is stabilized at slightly less than 10%.



### ***Financial Health and Stability***

- The 2016 Budget was approved by the Board of Directors and has been distributed. The Finance Committee has now resumed meeting on a regular basis to monitor finances and consider a long-term approach to financial planning.
- 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 2015 Audit is now complete and was accepted by the Board.
- The Finance Committee discussed the potential refunding of the 2012 private placement and 2013A Revenue Bonds due to the current low interest rates. This was recommended to move forward to the Board for consideration.



### ***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:

- Activities of the Palmdale Recycled Water Authority (PRWA) have continued though no Board meeting was held in June. Topics of action planned for the July, 2016 Board

meeting include grant resolutions, determination of Board officers, and recycled water distribution to the general public.

- Meetings were also held with the Antelope Valley State Water Contractors Association and with staff of other agencies.
- Additional meetings of the Antelope Valley Watermaster Board (AVWB) were recently held to assist the overlying producers in selecting their Board members. Judge Komar has provisionally approved the AVWB consisting of Rob Parris, Leo Thibault, Adam Ariki, Dennis Atkinson, and John Calandri. The first meeting is being scheduled for August.



### ***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. Despite some minor problems, it has continued to take increasing amounts of customer payments.
- The ability for customers to make payments at 7-Eleven is now functioning for the customer's ability to make cash payments at those stores. Over fifty (50) payments have been made through this new option so far.
- The Customer Care Department is continuing to define its role and find ways to better help customers. An advanced training in customer care was recently held. It is a portion of the requirements needed for staff to advance to Customer Care Representative II positions. To date, five CCR have advanced to CCR II.



# STAFF CONFERENCE/SEMINAR REPORT FORM

NAME: Richard Heinonen

DATE: 7/5/2016

POSITION: GIS Coordinator

## CONFERENCE SUMMARY:

• TITLE: 2016 Esri User Conference

• ORGANIZATION: Esri

• LOCATION AND DATES: San Diego, 6/25/2016 to 6/30/2016

• GENERAL SUBJECT MATTER: Attendees presented with innovative "best practice" for using Esri software, have access to hundreds of Technical Workshops and Demo Theaters focussed on specific applications, and can gain practical "hands-on" learning experience using various applications.

## SESSION/CLASS ATTENDANCE:

CONTACT HOURS  
(HRS): N/A

1 Pre-conference Water Utilities meeting - 9 presentations (see attached schedule)

7

2 Plenary Session and Keynote address

6

3 Technical Workshops - 9 sessions attended

12

4 Demo Theater Presentations - 3 sessions attended

3

5 One-on-one Tech support and training sessions by Esri Staff

4

## KEY POINTS/BENEFITS RELATING TO WORKGROUP, DEPARTMENT AND/OR OVERALL OPERATIONS:

Improved GIS skills, introduced to new GIS applications for doing field data collection work flows,  
discovered new capabilities that have been added to the enhanced GIS software, learned methods  
for improving the quality of our GIS data and working more efficiently when editing GIS features and data.

## REVIEWED BY:

SUPERVISOR:

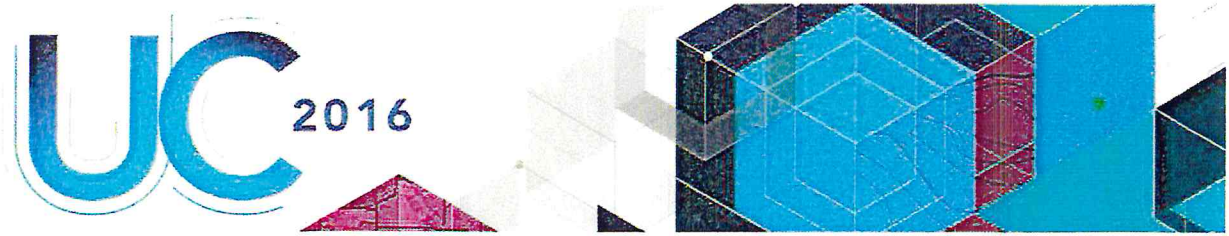
DATE:

DEPARTMENT MANAGER:

James A. Riley

DATE:

7/5/16



## Esri Water UC Meeting – Water Utilities

June 26, 2016 • San Diego Convention Center

OPENING SESSION – Room 25 A/B			
9:00 – 10:00	<ul style="list-style-type: none"><li>• Welcome</li><li>• Esri's One Water</li><li>• Roadmap for Water</li></ul>		
10:00 – 10:45	Water Technology Update		
10:45 – 11:00	Break		
WATER UTILITIES – Room 25 A/B			
11:00 – 11:30	Benefits of a GIS-Centric Infrastructure Management System	Christopher Collier	City of Cocoa
11:30 - 12:00	The Role of GIS in Asset Management	Connie Banegas	City of Charleston
12:00 – 1:30	Lunch		
1:30 – 2:00	Survey123 for NPDES Requirements	Lorraine Halderman	Atascadero Mutual Water Company
2:00 – 2:30	GIS Speeds Up Field Response Time While Eliminating Paper	Dax Flinn	City of Atlanta, Department of Watershed Management
2:30 – 3:00	Apps for the Field	Jeff Shaner	Esri
3:00 – 3:15	Break		
3:15 – 3:45	ArcGIS Online Streamlines SLO's Pipeline Planning and Rehab	Bud Nance Ross Brown	City of San Luis Obispo Infrastructure Technology
3:45 – 4:15	How Cityworks Flows Through Green Bay Water	Jean A. Pucel John W. Jarnagin	Green Bay Water Utility Cityworks   Azteca Systems
4:15 – 4:30	Break		
4:30 – 5:00	CLOSING – What's happening this week at UC, Q&A - Room 25 A/B		
5:30 – 7:30	Water Social - Plaza Terrace, San Diego Convention Center		