

Since 1918



# PALMDALE WATER DISTRICT

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## Board of Directors

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Division 5

ALESHIRE & WYNDER  
LLP  
Attorneys

August 18, 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, August 24, 2016*

*7:00 p.m.*

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

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

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

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

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

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

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



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



- 5) Presentations:
  - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
  - 6.1) Approval of minutes of regular meeting held August 10, 2016.
  - 6.2) Payment of bills for August 24, 2016.
  - 6.3) Approval of revisions to District Rules and Regulations Section 8.03(B)(1), variances. (Finance Manager Williams)
- 7) Action Items – Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 7.1) Consideration and possible action regarding contract amendment with Aspen Environmental for completion of Final Environmental Impact Report and support for permitting activities for the Littlerock Sediment Removal Project. (\$223,580.00 - \$135,000.00 in 2016/\$88,580.00 in 2017 – Budgeted – Engineering/Grant Manager Riley)
  - 7.2) Consideration and possible action on setting Palmdale Water District’s assessment rates for fiscal year 2016-2017 and adoption of Resolution No. 16-14 regarding said rates. (Financial Advisor Egan/Finance Manager Williams)
  - 7.3) Consideration and possible action on confirming credit rating from Standard & Poor’s at a cost not-to-exceed \$20,000.00. (\$20,000.00 – Budgeted – Finance Manager Williams)
  - 7.4) Consideration and possible action on proposal to perform Concentration-Time (CT) Study for each of the District’s 22 active groundwater wells. (\$9,700.00 – Non-Budgeted – Assistant General Manager Knudson)
  - 7.5) Consideration and possible action on sponsorship of Water: Take 1 Short Film Contest. (\$5,000.00 – Budgeted – Public Affairs & Sustainability Director McNutt)
  - 7.6) 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) A Day Without Water (Value of Water Coalition-ImagineaDayWithoutWater.com)
  - g) Outreach Board input.
- 7.7) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2016 Budget:
  - a) None at this time.
- 8) Information Items:
  - 8.1) Reports of Directors:
    - a) Meetings/General Report.
    - b) Standing Committee/Assignment Reports (Chair):
      - 1) PRWA
  - 8.2) Report of General Manager.
    - a) August, 2016 written report of activities through July, 2016.
  - 8.3) Report of General Counsel.
- 9) Public comments on closed session agenda matters.
- 10) Break prior to closed session.
- 11) Closed session under:
  - 11.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases*.
- 12) Public report of any action taken in closed session.
- 13) Board members' requests for future agenda items.
- 14) Adjournment.



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DENNIS D. LaMOREAUX,  
General Manager

DDL/dd

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

**DATE:** August 17, 2016 **August 24, 2016**  
**TO:** Board of Directors **Board Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 6.3 – APPROVAL OF REVISIONS TO DISTRICT  
RULES AND REGULATIONS SECTION 8.03(B)(1), VARIANCES***

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**Recommendation:**

Staff recommends approving the revision to the District’s Rules and Regulations, Section 8.03(B)(1) that applies the number in household variance to current and previous month billing to first time applicant only.

**Alternative Options:**

The alternative is leave program as is.

**Impact of Taking No Action:**

The impact of taking no action would result in applicants getting a two-month adjustment to their bill every year they apply for the variance.

**Background:**

The District approved the increase in water allocation variance in September, 2009. The variance allows customers to submit application and supporting documents to increase their indoor water budget allocation by increasing the number of residents in the household from the default number of 4.

Currently there are approximately 2,100 customers with a variance in place ranging from 5 to 15 in the household. Since its inception, there has not been a program for renewals of this variance. Staff will start having the variance automatically expire one year after approval which will require customers to resubmit their application and supporting documents annually to keep the variance in place.



BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT  
VIA: Mr. Dennis D. LaMoreaux, General Manager

August 17, 2016

**Strategic Plan Initiative:**

Strategic Plan Initiative No. 6, Customer Care and Advocacy

**Budget:**

This item has no impact on current financial budget.

**Supporting Documents:**

- Markups of recommended changes to District's Rules and Regulation
- Annual Variance Request for Increased Water Allocation form (Appendix C.1)

**1. Variances: (Approved 9-30-09)**

Variances to the water rate budget structure are available to qualifying consumers. Variance policies for the water rate budget structure and the variance application are attached hereto as Appendix C.1. If approved, the variance adjustment will apply to the current and the previous month's billing [for first time applicants only.](#)

**2. Adjustments: (Approved 7-28-10)**

A courtesy adjustment is available to customers who exceed their allocation caused by extraordinary water consumption due to leaks. The application, policy, and program conditions, are attached hereto as Appendix C.2.

**3. Rate Assistance Program: (Approved 8-13-14, Appendix Revised 8-26-15)**

A rate assistance program has been developed to assist low income ratepayers by offering an assistance amount up to fifty percent (50%) off of the monthly service charge to those who qualify. The program conditions and application are attached hereto as Appendix C.3

**C. Miscellaneous Charges: (Revised 3-11-09)** In order to recover the cost associated with afterhours service calls, late payments, disconnections, reconnections and other damages sustained by the District, the specified items listed below are charged to Consumers; the dollar amounts associated with each item are determined by the Board and are attached hereto as Appendix D.

**1. Non-Payment Shutoff Fee**

If a Consumer requests resumption or continuance of service after such service has been disconnected, then the non-payment which led to the disconnection shall be deemed to be evidence of non-credit worthiness and the Consumer shall be required to



# Annual Variance Request for Increased Water Allocation

Please review, complete, and include the required documentation requested below for consideration for an increase in water allocation. Applications received that do not contain the requested supporting documentation will be returned to the customer and not considered. Variances may be approved **ONLY** based on the criteria found within this application.

Account Holders Name: \_\_\_\_\_ Account # \_\_\_\_\_

Owner's Name: \_\_\_\_\_

Service Address: \_\_\_\_\_ Phone #: \_\_\_\_\_

I request an increase in water allocation for the following reason(s):

☐ 1. More than 4 Full-time residents in household Total Persons in Home: \_\_\_\_\_

Please provide the names and relationship of residents in household

	<u>Name:</u>	<u>Relationship</u>		<u>Name:</u>	<u>Relationship</u>
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1	_____	_____	5	_____	_____
2	_____	_____	6	_____	_____
3	_____	_____	7	_____	_____
4	_____	_____	8	_____	_____

☐ 2. Licensed Child Care (in home) Facility Please submit a copy of a valid Family Child Care Home license  
Total number of children: \_\_\_\_\_

☐ 3. Adult Day Care Facility (in home) Please submit a copy of a valid Adult Day Care license  
Total persons currently cared for: \_\_\_\_\_

☐ 4. Medical Needs (Please submit verifiable medical documentation)

☐ 5. Other Circumstance(s) Explain: \_\_\_\_\_  
\_\_\_\_\_

I affirm, under penalty of perjury, that the information contained herein, including supporting documentation, is complete and accurate. I further understand that all variances are subject to change and I may be liable for back charges if I provide incorrect information.

Signature \_\_\_\_\_ Date: \_\_\_\_\_

Daytime Phone (Required): \_\_\_\_\_ Email: \_\_\_\_\_

**Submit this completed form along with the proper documentation to the PWD. Please allow 4 to 5 weeks to process your variance request. Once approved and processed, variance changes will be applied to future billings. Variance requests must be submitted annually. After one (1) year of an increased allocation, a new application with supporting documentation must be submitted to the PWD.**

# Variance Application Information

## **Number of people in household:**

The indoor water budget for single family residential customers is calculated assuming an occupancy of four (4) people per household. If you have more than four people living in your household year round, you may apply for a variance to increase your household's water allocation. Customers may receive an additional 66 gallons per person per day for each additional person living at the residence. Please include the number of individuals living in the household, their names, and their relationships. List their first and last names on the "Variance" form. The information provided, **WILL NOT** be used for any other purpose other than to verify occupancy of the household.

Documentation must be presented with the Variance Application in order to be approved. Acceptable documents displaying the occupancy address of the requested increase are as follows:

- Copy of last year's Federal or State income tax return (listing dependents)
- Valid California Driver's license
- Formal change of address form from USPS
- Lease agreement
- Voided blank checks with preprinted name and address
- (For Children) -A child's Birth Certificate, current year student I. D. card, or current year report card

## **Licensed In-Home Childcare or Eldercare Facility:**

Any residence used as a licensed childcare or eldercare facility must include a copy of your business license upon submission of this application. Please list the number of children or elderly which occupy the household on a daily basis. Approval is based upon either the number of full-time residents or the number of clients that are regularly cared for at the listed address on this application; whichever is greater. Each person will receive an additional 66 gallons of water per person per day.

## **Medical needs:**

Please provide verification from a healthcare provider. **All medical information will be kept confidential.**

## **Before submitting the application, please read the following:**

Information contained within this application is subject to an audit (PWD reserves the right to audit Variance Applications). If an audit is necessary, you must provide the required documentation of the actual household population. Such documentation may include, but is not limited to, the items listed above. If the submitted information is found to be false, fees and charges will be adjusted retroactively to the date of the application was submitted and additional penalty fees may apply and assessed to the next water service bill for the address listed on this application.

### **For District Use Only:**

Date Received & Initials \_\_\_\_\_

Documentation Submitted \_\_\_\_\_

Total Adjustment \$ \_\_\_\_\_

Date Completed & Initials \_\_\_\_\_

Please return completed form and required documents to:

**Palmdale Water District**  
**2029 East Avenue Q**  
**Palmdale, Ca 93550**  
**FAX: 661-947-8604**

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

**DATE:** August 18, 2016 **August 24, 2016**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Jim Riley, Engineering/Grant Manager  
**VIA:** Mr. Matthew Knudson, Assistant General Manager  
Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION  
REGARDING CONTRACT AMENDMENT WITH ASPEN  
ENVIRONMENTAL FOR COMPLETION OF FINAL  
ENVIRONMENTAL IMPACT REPORT AND SUPPORT FOR  
PERMITTING ACTIVITIES FOR THE LITTLEROCK SEDIMENT  
REMOVAL PROJECT***

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**Recommendation:**

That the Board:

1. Approve a contract amendment of \$223,580.00 with Aspen Environmental. This is a budgeted item.
2. Authorize the General Manager to execute the contract amendment.

**Impact of Taking No Action**

1. Final Environmental Impact Report (EIR) and required permits would be delayed.
2. Construction cannot proceed until Final EIR and required permits are completed and approved.

**Background:**

Draft EIR was completed in May 2016. The next sequence of activities is to respond to comments received on the Draft EIR and publish a Final EIR. Comment letters were received from California Department of Water Resources, Lahontan Regional Water Quality Control Board, and California Department of Fish and Wildlife.

Permitting activities need to be started. Examples of permitting activities include (1) Clean Water Act Section 401 permit application to the Lahontan Regional Water Quality Control Board, (2) Clean Water Act Section 404 permit application to the U.S. Army Corps of Engineers, (3) Draft and Final Section 2081 Incidental Permit Application to

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Matthew Knudson, Assistant General Manager  
Mr. Dennis D. LaMoreaux, General Manager

August 18, 2016

California Department of Fish and Wildlife, (4) Lake or Streambed Alteration Agreement Notifications to California Department Fish and Wildlife for Section 1600 permitting, and (5) Monitoring plan for the Arroyo Toad.

**Budget:**

Cost of \$223,580.00 for the contract amendment - \$135,000.00 in 2016/\$88,580.00 in 2017. This is a budgeted item in the District's 2016 budget.

**Strategic Water Initiative**

Initiative No. 1 - Water Supply Reliability

**Supporting Documents:**

- Exhibit A - Scope of Work and Associated Costs

# **Littlerock Reservoir Sediment Removal Project**

## **EXHIBIT A**

### **Scope of Work and Associated Costs for Finalization of the Environmental Analysis and Permitting Support June 2016**

Below is a description of the scope of work proposed by Aspen Environmental Group (Aspen) for completion of environmental analysis and associated EIS/EIR environmental review process, and permitting efforts for Palmdale Water District's (District) Littlerock Reservoir Sediment Removal Project.

#### **Task 1: EIS/EIR**

Upon close of the Draft EIS/EIR public review period (June 30, 2016), Aspen will prepare the Administrative Final EIS/EIR, which will contain a list of commenters, comment letters, responses to comments on the Draft EIS/EIR, and the EIS/EIR text with revisions. Aspen will confer with District staff to review all comments on the Draft EIS/EIR, including comments from public meetings and/or hearings, to develop a strategy for preparation of responses. The Administrative Final EIS/EIR will be submitted to the District and USFS for review and comment. Aspen will provide five bound (5) copies of the Administrative Final EIS/EIR for District and USFS review and comment. Additional copies can be furnished upon request, and would result in a commensurate cost modification.

Aspen will obtain all comments on the Administrative Final EIS/EIR from the District and USFS Project Managers for use in revising the document. Aspen will complete revisions to the Administrative Final EIS/EIR in conformance with the District and USFS comments and the agreed-upon scope of services.

Responses that are within this proposal's scope and budget consist of explanations, elaborations, or clarifications of the data contained in the Draft EIS/EIR. If new analysis, issues, alternatives, or substantial project changes need to be addressed, or if the effort exceeds the budget amount because of the number or complexity of responses, a contract amendment may be required.

The format of the Final EIS/EIR will be as a single document that includes the revised EIS/EIR text, comment letters, responses to comments, and any other appropriate information. Aspen will provide the District with one camera-ready and one electronic (MS Word format) version and 25 bound Final EIS/EIR documents. Aspen also will be responsible for preparation of the CEQA-required Notice of Determination (NOD). See below under Task 2 for task descriptions on noticing.

Aspen would prepare the CEQA-required Findings of Fact document and Statement of Overriding Considerations (SOC) for the EIR, and the Mitigation Monitoring, Reporting, and Compliance Program (per CEQA Guidelines §15097). In addition, it is assumed that the USFS would be responsible for preparation of the NEPA-required Record of Decision (ROD) for the EIS. However, if the District and USFS so desire, Aspen is fully capable of preparing the ROD based on our experience with past projects. Aspen prepares these documents for many federal clients as part of our agreed-upon scope of services with those clients. Preparation of these additional decision documents would require a commensurate scope and budget modification.

#### **Deliverables**

- Administrative Final EIS/EIR
- Final EIS/EIR

- Findings of Fact (including Statement of Overriding Considerations, if applicable)
- Mitigation Monitoring, Reporting, and Compliance Program

## Task 2: Public Involvement

Task 2, Public Involvement, will be carried out consistent with the approved Littlerock Reservoir Sediment Removal Project Public and Agency Involvement Plan (February 2014) approved by the District and USFS.

Public involvement activities conducted thus far for the project include the CEQA and NEPA scoping process conducted in the Spring 2014, and the Draft EIS/EIR environmental review process from early May through end of June 2016. Both the scoping and Draft EIS/EIR processes have included extensive efforts, such as development of the project mailing lists, preparation of the District Notice of Preparation, the USFS Notice of Intent, preparation and distribution of the scoping meeting notice, two public meetings (Scoping in 2014 and Draft EIS/EIR in May 2016), preparation of meeting handouts, poster boards, and presentation, and preparation of a scoping process summary and Draft EIS/EIR notification memo (per USFS request).

The following task description addresses the public involvement for the noticing and public comment period/meeting for the Final EIS/EIR.

**Update Database/Mailing List.** Aspen will update the project mailing list based on any returns or comments during the Draft EIS/EIR review period. There may be some additional contacts or change in property owners that need to be added to the mailing list to make it current before the Final EIS/EIR is released.

**Ongoing Activities throughout EIS/EIR Process.** These activities began at scoping and will continue through the completion of the EIS/EIR process and decision on the project. These activities include:

- **Email.** Aspen has established/setup an email address unique to the project. The majority of public comments are likely to be submitted electronically via this email address. Aspen will continue to monitor questions/comments sent by email. This scope assumes that email will be checked daily during the 45-day comment period on the Draft EIS/EIR.
- **Project Database and Document Tracking.** Aspen will maintain and conduct one additional update of the project database/ mailing list during the EIS/EIR process, including after the close of the comment period on the draft document. The database/ mailing list will be used to distribute all project correspondence.
- **Project Website.** The District has established and hosts the project website, which will continue to be used on the project to announce important project events and published documents. Aspen will continue to provide public materials for placement on the website immediately after approval by the lead agencies. Aspen anticipates that the website will be updated to announce two additional events other than those already on the website as part of scoping, Draft EIS/EIR publication, and ongoing project activities (i.e. Final EIS/EIR and project decision/certification of EIR).
- **Supplemental Noticing.** Aspen will conduct supplemental noticing electronically and at the discretion of the lead agencies. This noticing could include follow-up email notices or e-bulletins. This scope and cost estimate assumes that emails will be available to conduct this noticing and that two electronic notices will be distributed on this project.

**EIS/EIR Notification Support.** This task includes notification to CEQA Responsible Agencies regarding certification of EIR, preparation of and filing of the Notice of Determination with the State Clearinghouse, and filing of the Notice of Determination with the County Clerk. The project website will



also be updated but that cost has been identified above under the discussion of ongoing activities. In addition, this task includes hours for the preparation of a formal content analysis if the lead agencies decide that the volume and nature of the comments warrant such an analysis. The Forest Service often requires a content analysis for its Draft EIS documents. The cost assumes that no more than 20 comment letters and no more than 10 individuals will present oral comments that will be included in the comment/content analysis.

**Deliverables/Activities**

- Updated Project Mailing List
- EIS/EIR Notification Support

**Task 3: Permitting and Plans (Time-Sensitive Items)**

There are a number of plans and permit packets that are time-sensitive and would benefit from getting started simultaneous to preparation of the Final EIS/EIR. This is mainly due to the fact that many resource and regulatory agencies' timelines for review are lengthy, and by starting some of the permits early, schedule delays after the Final EIS/EIR can be minimized. Aspen Team's proposed tasks for these time-sensitive permits and associated plans are described below.

**Land Use Permitting.** At the outset of the environmental review process for the current EIS/EIR, Aspen did initiate the USDA Forest Service Special Use Authorization (SUA) process by filing a Standard Form 299 (Application for Transportation and Utility Systems and Facilities on Federal Lands) with the USDA Forest Service to officially start the SUA process. The application information is needed by the Forest Service to evaluate the request to use National Forest System lands and manage those lands to protect natural resources, administer the use, and ensure public health and safety. The authority for the requirement is provided by the Organic Act of 1897 and the Federal Land Policy and Management Act of 1976, which authorize the secretary of Agriculture to promulgate rules and regulations for authorizing and managing National Forest System lands. An SUA is needed to construct and operate the project on National Forest System lands. The SUA will be issued by the Forest Service after the completion of all environmental clearance documents, acquisition of permits, and issuance of District and USDA Forest Service decisions. Aspen will continue to support the District by providing any additional information required by the USFS to finalize the SUA for the project during the finalization process for the EIS/EIR, and the permitting effort.

**Biological Resources Permitting.** Although CEQA/NEPA review can be completed independent of some permits (e.g., Section 1600, or CWA 401) many permits require coordination and submittal of applications concurrently with the CEQA/NEPA process. For conducting work on the ANF, some permits (e.g., the USFWS Biological Opinion and Clean Water Act Permits) are required prior to the Forest Service issuance of the ROD. Similarly, other permits including CDFW Section 1602 and Section 1605 or an Incidental Take Permit (ITP), which require the completion of CEQA, often have specific legal requirements that must be met in the EIS/EIR. Therefore, conducting these processes in parallel provide a greater assurance of timely and efficient permit acquisition. Aspen has already initiated the bulk of the permitting process, including technical reports and analyses required to support the EIS/EIR and regulatory permit applications. Each agreement/permit package includes the completion of the appropriate application forms, preparation of specific maps/graphics as required for each application, proposal for compensatory mitigation, and inclusion of appropriate plans/studies to support the provided project information. See description of plans below for details. Assumptions for these tasks include:

- Aspen would complete and submit the Section 1602 (Construction related) and seek a Section 1605 (Long term agreement) Streambed Alteration Agreement from CDFW.
- Aspen would complete the Section 404 permit application from the USACE. The USFS has requested that the USACE's Environmental Assessment, 404(b)(1) Guidelines Evaluation, be completed as part of the EIS/EIR to assist in completion of the permit package. It is likely that the USFS would like to submit this packet.
- Aspen would complete and submit a Section 401 Water Quality Certification to the RWQCB.

**Biological Resource Plans.** The District's Standard Project Commitments (SPCs) require the preparation of biological plans that must be reviewed by the District and USFS. These range from restoration guidance to the biological resource methods that would be employed during construction of the grade control structure and sediment removal activities. Aspen will prepare the required plans identified in SPCs presented in the Draft EIS/EIR and coordinate with agency staff to ensure each environmental document is completed in a format acceptable to the USFS, Palmdale Water District, and the regulatory agencies. The required plans include:

- Restoration Plan (BIO-1a)
- Weed Control Plan (BIO-2)
- Monitoring Plan for Arroyo Toad (BIO-6b)

Restoration Plan. In compliance with SPC BIO-1a Aspen will prepare a comprehensive restoration plan that identifies the appropriate seed mix, cuttings, or container planting that would be used to restore areas targeted for restoration. The plan will include methods of salvage, planting protocols, performance standards, maintenance requirements, and remedial actions.

Weed Control Plan. In compliance with SPC BIO-2 Aspen will prepare a weed control plan that describes the required weed control treatments that would be implemented on National Forest Service and private lands. This will include a description of all legally permitted herbicide, manual, and mechanical methods.

Monitoring Plan for Arroyo Toad. In compliance with SPC BIO-6b Aspen will prepare a detailed plan describing the measures, timing, and reporting requirements for working in occupied arroyo toad habitat. This will include the methods for fencing, trapping, and relocating arroyo toads during construction of the grade control structure and sediment removal activities. The plan will also detail survey and monitoring requirements during routine operation of the facility.

**Fire Plan.** The Fire Plan will include the following: (1) responsibilities of the District and the Forest Service in regards to fire prevention and inspection of work areas; (2) personnel in charge of overseeing Fire Plan implementation; (3) staff and equipment that can be used for fighting fire; (4) emergency measures for construction curtailment, and (5) an outline for a system to obtain and distribute the Forest Service Project Activity Level (PAL) on a daily basis during all construction activities, as well as communicate any limitations on daily work activities or noticing of no work days due to high fire danger.

**Permit Fees.** A number of permit packets require fees. It is assumed that Permit Fees will be the responsibility of the District. Costs for fees are not assumed within this scope of work and associated budget.

#### **Deliverables**

- CWA Section 401 permit application to the Lahontan RWQCB
- CWA Section 404 permit application to the USACE
- Draft and Final Section 2081 Incidental Take Permit Application to CDFW

- Lake or Streambed Alteration Agreement Notifications to CDFW for Section 1600 permitting
- Restoration Plan
- Weed Control Plan
- Monitoring Plan for Arroyo Toad
- Fire Plan

#### **Task 4: Agency Coordination**

The agency coordination task is closely tied to the permitting and plan preparation activities detailed under Task 3 (Permitting and Plans), above. Agency coordination will be required with several governmental agencies in order to ensure the plans are approved to support construction and sediment removal activities. These include coordination with applicable federal, State, and local agencies for timely review of project-related permit packets and associated plans, and plans required by law. As discussed above under Task 3, Aspen will prepare the required plans identified in Biological Resources SPCs presented in the Draft EIS/EIR and coordinate with agency staff to ensure each environmental document is completed in a format acceptable to the USFS, Palmdale Water District, and the regulatory agencies. In addition, Aspen will assist the District with State and federal Endangered Species Act consultation to support regulatory permitting, the Biological Opinion, and State 2081 permitting. To support the land use, air quality, and traffic-related permitting efforts, Aspen will coordinate with the City of Palmdale, AVAQMD, and Los Angeles County and/or Caltrans (as appropriate for public roadways).

##### **Deliverables/Activities**

- For the biological resources-related permits and plans, Aspen assumes up to 10 meetings or site visits with the various regulatory agencies will be required to review plans, reports, and permits.
- For the land use, air quality and traffic-related permitting efforts, Aspen assumes up to 4 meetings, and up to 10 conference calls (as needed). Aspen will make every effort to conduct coordination over the phone in an effort to save costs.
- Aspen will provide technical support for all negotiations and correspondence with all jurisdictions regarding any fair-share funding agreements for roadway damage repairs.

#### **Task 5: Project Management**

The purpose of this task is to manage the Aspen Project Team, manage the Final EIS/EIR preparation and start of permitting efforts, support the District in preparation of its CEQA decision documentation, and maintain close communication between lead agencies' (i.e., District and USFS) staff members and the project team members. This task is also intended to ensure that the project is running on time and within budget, and that all work products are of the highest quality.

**Project Meetings.** Based on our experience with the project thus far and other similar joint NEPA/CEQA documents, and a projected approximate 12-month remaining schedule, Aspen's Project Manager would participate in 12 monthly project meetings (one meeting per month). It is likely that the majority of these meetings would be conducted via phone. It is assumed that one to two in-person meetings could occur after the lead agencies' review of the Administrative Final EIS/EIR. Other meetings may be attended on a time-and-materials basis, additional to the proposed budget and with prior authorization of the District.

**Administrative Record.** In order to efficiently complete the Administrative Record (AR), Aspen has already sought Forest Service approval of the AR index including the general organization and file

structures required by the Forest Service. Aspen has used this AR index to organize the project files through the Administrative Draft EIS/EIR phase. Aspen would continue to compile the AR through the issuance of the Forest Service Record of Decision (ROD). Upon issuance of the ROD, the Forest Service will need to review the AR and ensure that its contents meet their needs. Aspen will assist the Forest Service to ensure that the AR is satisfactory. Given the level of detail required by the Forest Service for preparation of the AR, this record would also meet CEQA requirements for Project AR preparation. Aspen would provide hard copy and electronic AR files in clearly marked folders and file boxes to both the Forest Service and the District after Forest Service ROD issuance and District adopted Findings of Fact document (i.e., CEQA EIR certification and project decision).

### **Deliverables/Activities**

- Revised Project Schedule
- Monthly Invoices and Progress Reports
- 12 Monthly Meetings (via conference calls, 2 in-person)
- Administrative Record

### **Project Team**

The project team will consist of Aspen Environmental Group, supported by Applied Earthworks (Cultural Resources) to assist with any cultural resources issues related to the responses to comments and support for the USFS SUA permit.

- **Applied EarthWorks (AE).** AE's professional staff includes specialists in the history, prehistory, archaeology and paleontology of the various regions of California, the American Southwest, the Great Basin, and the Pacific Northwest. AE employs individuals proficient in a wide range of related disciplines, including architectural history. Senior personnel offer years of experience managing cultural resources in both the public and private sectors. Through continuing education, membership in associated professional organizations, and on-the-job experience, their understanding of the regulatory environment and compliance issues guides them in providing sound consultation during each phase of project development.

Exhibit A-1 summarizes Aspen's key assumptions incorporated into the proposed scope of work and associated cost presented in Exhibit A-2.

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## **Exhibit A-1. Summary of Important Assumptions and Optional Tasks**

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### **Task 1: EIS/EIR**

---

- Aspen will prepare the Administrative Final EIS/EIR that will include a list of commenters, comment letters, responses to comments on the Draft EIS/EIR, and the EIS/EIR text with revisions. Responses will be limited to explanations, elaborations, or clarifications of the data contained in the document.
  - Aspen will provide 5 copies of the Administrative Final EIS/EIR. The Final EIS/EIR will be formatted as a single document.
  - Upon receiving comments from the District and the USFS on the Administrative Final EIS/EIR, Aspen will complete revisions to the document in conformance with those comments.
  - Aspen will provide one camera-ready and one electronic (MS Word format) version of the Final EIS/EIR and 25 bound Final EIS/EIR documents.
  - Aspen will assist the District in preparing the CEQA Findings of Fact document; the Statement of Overriding Considerations; and the Mitigation Monitoring, Reporting, and Compliance Program.
- 

### **Task 2: Public Involvement**

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- Aspen will update the project database/mailling list based on any returns or comments during the Draft EIS/EIR review period. The revised database/mailling list will be used to distribute all project correspondence regarding the Final EIS/EIR.
-

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**Exhibit A-1. Summary of Important Assumptions and Optional Tasks**


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- Aspen will continue to check daily the project email for questions/comments during the 45-day review period on the Draft EIS/EIR. Aspen will monitor the project email through the completion of the EIS/EIR process and decision on the project.
  - As part of the supplemental noticing and if email addresses are available, this cost estimate includes 2 electronic e-mail notices or e-bulletins.
  - Aspen will provide public materials for placement on the project website immediately after approval by the lead agencies. Two additional updates are anticipated to address the Final EIS/EIR and project decision/certification of EIR.
  - Aspen will prepare and file the NOD with the State Clearinghouse and the County Clerk.
  - Aspen assumes that the USFS will prepare and file the ROD.
  - Aspen will assist the USFS with the preparation of a content analysis for the Draft EIS, with the assumption that no more than 20 comment letters and no more than 10 individuals will present oral comments to be included in the analysis.
- 

**Task 3: Permitting and Plans**


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- USFS Special Use Authorization (SUA): Aspen has completed and filed a Standard Form 299 (Application for Transportation and Utility Systems and Facilities on Federal Lands) with the USFS to officially start the SUA process. The SUA will be issued after the completion of all environmental clearance documents, acquisition of permits, issuance of the District and USFS decisions. Aspen will continue to support the District by providing any additional information requested by the USFS to finalize the SUA for the project.
  - City of Palmdale permits: Aspen has included analysis in the EIS/EIR to ensure that the quarries can use the document to support their permit filings. Aspen will coordinate with the quarries to ensure that any additional required information is incorporated into the Final EIS/EIR.
  - Aspen will complete and submit a CWA Section 401 Clean Water Certification application to the Lahontan RWQCB.
  - Aspen will complete the CWA Section 404 permit application to the USACE Los Angeles District. Per USFS request, the Environmental Assessment, 404(b)(1) Guidelines Evaluation, has been completed as part of the EIS/EIR.
  - Aspen will prepare and submit a Draft and Final Section 2081 Incidental Take Permit application to CDFW.
  - Aspen will prepare and submit Lake or Streambed Alteration Notifications to CDFW for Section 1600 permitting.
  - Aspen will prepare a Restoration Plan that will include methods of salvage, planting protocols, performance standards, maintenance requirements, and remedial actions.
  - Aspen will prepare a Weed Control Plan that will include a description of all legally permitted herbicide, manual, and mechanical methods.
  - Aspen will develop and implement a Monitoring Plan for Arroyo Toad that will include methods for fencing, trapping, and relocating arroyo toads during construction and sediment removal activities. The plan will also detail survey and monitoring requirements.
  - Aspen will prepare a Fire Plan that will include responsibilities of the District and USFS in fire prevention and inspection of work areas, emergency measures in the event of a fire, and a system of communicating limitations on daily work activities.
- 

**Task 4: Agency Coordination**


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- For biological resources-related permits and plans, Aspen will conduct up to 10 meetings/site visits with various regulatory agencies. These meetings will review plans, reports, and permits.
  - For the land use, air quality and traffic-related permitting efforts, Aspen assumes up to 4 meetings, and up to 10 conference calls (as needed). Aspen will make every effort to conduct coordination over the phone in an effort to save costs.
  - Aspen will provide technical support for all negotiations and correspondence with all jurisdictions regarding any fair-share funding agreements for roadway damage repairs.
- 

**Task 5: Project Management**


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- Aspen will prepare monthly invoices and progress reports.
  - Aspen's Project Manager would attend up to 12 monthly project meetings via conference calls (one meeting per month), based on a projected 12-month remaining schedule. Aspen assumes no more than two in-person meetings would be requested after the lead agencies' review of the Administrative Final EIS/EIR.
  - Aspen will compile the AR through the issuance of the USFS ROD. Aspen would provide hard copy and electronic AR files in clearly marked folders and file boxes to both the USFS and the District after the ROD is issued and the District's Findings of Fact is adopted.
-

## **Cost**

Aspen's proposed cost to complete the Tasks 1 through 5 (described above) for the proposed Littlerock Reservoir Sediment Removal Project is \$223,580. Labor hours and other estimated costs for each task are displayed in Exhibit A-2 (Proposed Cost). Our proposed cost is based on the work program, on our understanding of the services desired by the District, USFS requirements, other activities required by NEPA/CEQA and applicable permits. Exhibit A-1 (above) summarizes Aspen's key assumptions incorporated into the proposed scope of work and associated cost presented in Exhibit A-2.



## Aspen Environmental Group

Littlerock Reservoir Sediment Removal Project  
Palmdale Water District

### EXHIBIT A-2: PROPOSED COST - SUMMARY SHEET Environmental Analysis & Permitting Support

Task 1	Task 2	Task 3	Task 4	Task 5	TOTAL
EIS/EIR	Public Involvement	Permitting	Agency Coordination	Project Management	

#### ASPEN LABOR COST

Total Aspen Labor Cost	\$71,280	\$10,857	\$63,992	\$33,064	\$19,950	\$199,143
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#### Aspen Other Direct Costs

Aspen Other Direct Costs	\$14,878		\$1,595	\$963		\$17,435
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#### SUBCONTRACTORS COST

Applied Earthworks	\$2,474		\$1,658	\$1,489	\$1,381	\$7,002
Total Subcontractor Cost	\$2,474		\$1,658	\$1,489	\$1,381	\$7,002

<b>Total Cost</b>	<b>\$88,632</b>	<b>\$10,857</b>	<b>\$67,245</b>	<b>\$35,515</b>	<b>\$21,331</b>	<b>\$223,580</b>
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Date prepared: June 2016

**Note:** The rates on this cost estimate are good through July 2018, after which they would increase by 3%.

# Aspen Environmental Group

## Littlerock Reservoir Sediment Removal Project Palmdale Water District

### EXHIBIT A-2: PROPOSED COST Environmental Analysis & Permitting Support

						These hours & costs are links							
		Task 1		Task 2		Task 3		Task 4		Task 5		TOTAL	
		EIS/EIR		Public Involvement		Permitting		Agency Coordination		Project Management			
Key Personnel/Category	Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Quantity	Cost
Negar Vahidi, Project Manager	\$175.00	80	\$14,000	8	\$1,400	10	\$1,750	12	\$2,100	50	\$8,750	160	\$28,000
Chris Huntley, Senior Biologist	\$175.00	20	\$3,500			68	\$11,900	80	\$14,000			168	\$29,400
Will Walters, Senior Air Quality	\$188.00	30	\$5,640									30	\$5,640
Sandra Alarcon-Lopez, Public Involvement	\$187.00			16	\$2,992							16	\$2,992
Phil Lowe, Sr. Hydrologist	\$175.00	20	\$3,500									20	\$3,500
Jared Varonin, Biology/Permitting	\$125.00	40	\$5,000			48	\$6,000	100	\$12,500			188	\$23,500
Scott Debauche, Environmental Planner	\$115.00	120	\$13,800			60	\$6,900	16	\$1,840			196	\$22,540
Justin Wood, Botanist	\$104.00					98	\$10,192	16	\$1,664			114	\$11,856
Tatiana Inouye, Sr. Environmental Sci.	\$112.00	140	\$15,680	30	\$3,360					100	\$11,200	270	\$30,240
Margaret Schaap, Biologist	\$75.00					220	\$16,500					220	\$16,500
Patrick Meddaugh, Environmental Life Sci	\$75.00	40	\$3,000	40	\$3,000							80	\$6,000
Tracy Popiel, GIS/Graphics	\$75.00	40	\$3,000			16	\$1,200	10	\$750			66	\$4,950
David Bailey, GIS/Graphics	\$65.00					96	\$6,240					96	\$6,240
Emily Chittea, Admin/Clerical	\$65.00	24	\$1,560			28	\$1,820					52	\$3,380
Kati Simpson, Graphics/Production	\$110.00	16	\$1,760			4	\$440					20	\$2,200
Elise Camacho, Project Accounting/Controls	\$105.00	8	\$840	1	\$105	10	\$1,050	2	\$210			21	\$2,205
Darlene Freeman, Admin/Clerical	\$86.00												
Total Labor		578	\$71,280	95	\$10,857	658	\$63,992	236	\$33,064	150	\$19,950	1717	\$199,143

Direct Project Cost Item	Unit Cost	Cost	Cost	Cost	Cost	Cost	Total
Copies/Printing		\$12,000			\$625		\$12,625
Travel & Per Diem					\$375	\$575	\$950
Postage/Delivery		\$1,500			\$50		\$1,550
Telephone (Cell+Conf Calls)		\$25			\$250	\$300	\$575
Computer (per billable hour)							
Equipment Rental					\$150		\$150
Document/Data Acquisition/Ads							
Subtotal		\$13,525			\$1,450	\$875	\$15,850
Aspen Fee on all Non-Labor Costs & Subs (10%)		\$1,353			\$145	\$88	\$1,585
<b>Total Non-Labor</b>		<b>\$14,878</b>			<b>\$1,595</b>	<b>\$963</b>	<b>\$17,435</b>

<b>Total Cost</b>	<b>\$86,158</b>	<b>\$10,857</b>	<b>\$65,587</b>	<b>\$34,027</b>	<b>\$19,950</b>	<b>\$216,578</b>
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# Aspen Environmental Group

## Littlerock Reservoir Sediment Removal Project Palmdale Water District

### EXHIBIT A-2: PROPOSED COST Environmental Analysis & Permitting Support

Task 3 - Permitting Breakdown															
		Restoration Plan		Weed Plan		Arroyo Toad Plan		Expected Plans from Required Permits*		Fire Plan		Permit Packets		TOTAL	
Key Personnel/Category	Rate	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Quantity	Cost
Negar Vahidi, Project Manager	\$175.00	1	\$175	1	\$175	1	\$175	4	\$700	2	\$350	1	\$175	10	\$1,750
Chris Huntley, Senior Biologist	\$175.00	6	\$1,050	8	\$1,400	24	\$4,200	20	\$3,500	6	\$1,050	4	\$700	68	\$11,900
Will Walters, Senior Air Quality	\$188.00														
Sandra Alarcon-Lopez, Public Involvement	\$187.00														
Phil Lowe, Sr. Hydrologist	\$175.00														
Jared Varonin, Biology/Permitting	\$125.00											48	\$6,000	48	\$6,000
Scott Debauche, Environmental Planner	\$115.00									60	\$6,900			60	\$6,900
Justin Wood, Botanist	\$104.00	50	\$5,200	40	\$4,160			8	\$832					98	\$10,192
Tatiana Inouye, Sr. Environmental Sci.	\$112.00														
Margaret Schaap, Biologist	\$75.00			10	\$750	50	\$3,750	160	\$12,000					220	\$16,500
Patrick Meddaugh, Environmental Life Sci	\$75.00														
Tracy Popiel, GIS/Graphics	\$75.00	2	\$150	2	\$150	2	\$150	2	\$150			8	\$600	16	\$1,200
David Bailey, GIS/Graphics	\$65.00	24	\$1,560	24	\$1,560	24	\$1,560	24	\$1,560					96	\$6,240
Emily Chitrea, Admin/Clerical	\$65.00	4	\$260	4	\$260	4	\$260	16	\$1,040					28	\$1,820
Kati Simpson, Graphics/Production	\$110.00									4	\$440			4	\$440
Elise Camacho, Project Accounting/Controls	\$105.00	2	\$210	2	\$210	2	\$210	2	\$210			2	\$210	10	\$1,050
Darlene Freeman, Admin/Clerical	\$86.00														
<b>Total Labor</b>		<b>89</b>	<b>\$8,605</b>	<b>91</b>	<b>\$8,665</b>	<b>107</b>	<b>\$10,305</b>	<b>236</b>	<b>\$19,992</b>	<b>72</b>	<b>\$8,740</b>	<b>63</b>	<b>\$7,685</b>	<b>658</b>	<b>\$63,992</b>

Direct Project Cost Item	Unit Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Cost	Total
Copies/Printing		\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$625
Travel & Per Diem						\$125	\$125	\$250	\$250	\$250	\$250	\$375
Postage/Delivery										\$50	\$50	\$50
Telephone (Cell+Conf Calls)			\$100	\$100	\$100	\$100	\$100	\$50	\$50	\$50	\$50	\$250
Computer (per billable hour)												
Equipment Rental			\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$150
Document/Data Acquisition/Ads												
Subtotal		\$125	\$275	\$400	\$400	\$350	\$350	\$350	\$350	\$300	\$300	\$1,450
Aspen Fee on all Non-Labor Costs & Subs (10%)		\$13	\$28	\$40	\$40	\$35	\$35	\$35	\$35	\$30	\$30	\$145
<b>Total Non-Labor</b>		<b>\$138</b>	<b>\$303</b>	<b>\$440</b>	<b>\$440</b>	<b>\$385</b>	<b>\$385</b>	<b>\$385</b>	<b>\$385</b>	<b>\$330</b>	<b>\$330</b>	<b>\$1,595</b>

<b>Total Cost</b>	<b>\$8,743</b>	<b>\$8,968</b>	<b>\$10,745</b>	<b>\$20,377</b>	<b>\$8,740</b>	<b>\$8,015</b>	<b>\$65,587</b>
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**Note:** Permitting budget assumes average of 12 hours for preparation of each per permit (1602, 401, 404, and 1605). Payment of permit Fees will be the responsibility of the District, and the costs for fees are not included in this spreadsheet.

# Aspen Environmental Group

## Littlerock Reservoir Sediment Removal Project Palmdale Water District

### PROPOSED COST Environmental Analysis & Permitting Support Subcontractor: Applied Earthworks

Key Personnel/Category	Rate	Task 1		Task 2		Task 3		Task 4		Task 5		TOTAL	
		EIS/EIR		Public Involvement		Permitting		Agency Coordination		Project Management			
		Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Quantity	Cost
Principal Archaeologist, Vanessa Mirro	\$148.00					2	\$296	2	\$296	2	\$296	6	\$888
Senior Archaeologist, Tiffany Clark	\$105.50	8	\$844			4	\$422	4	\$422	1	\$106	17	\$1,794
Staff Archaeologist, Joan George	\$77.00	16	\$1,232			8	\$616	6	\$462	6	\$462	36	\$2,772
GIS Specialist, Mike Mirro	\$86.70	2	\$173			2	\$173	2	\$173	1	\$87	7	\$607
Graphics Specialist, Cari Inoway	\$77.00									2	\$154	2	\$154
Administrator/Word Processing, Suzie Bircheff	\$75.50									2	\$151	2	\$151
<b>Total Labor</b>		26	\$2,249			16	\$1,507	14	\$1,353	14	\$1,255	70	\$6,365

Direct Project Cost Item	Unit Cost		Cost		Cost		Cost		Cost		Cost		Total
Copies/Printing													
Reproduction Plan Sheets													
Travel & Per Diem													
Postage/Delivery (Fed Ex Package)													
Telephone (Cell+Conf Calls per Hour)													
Computer (per billable hour)													
Equipment Rental													
Document/Data Acquisition													
Topographic Mapping Survey (subconsultant)													
<b>Subtotal Other Direct Costs</b>													

Subtotal			\$2,249				\$1,507		\$1,353		\$1,255		\$6,365
Aspen Fee on Subcontractors (10%)			\$225				\$151		\$135		\$126		\$637
<b>Total Cost</b>			<b>\$2,474</b>				<b>\$1,658</b>		<b>\$1,489</b>		<b>\$1,381</b>		<b>\$7,002</b>

# **PALMDALE WATER DISTRICT BOARD MEMORANDUM**

**DATE:** August 17, 2015

**August 24, 2016**

**TO:** BOARD OF DIRECTORS

**Regular Board Meeting**

**FROM:** Mr. Bob Egan, Financial Advisor

**RE:** ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON SETTING PALMDALE WATER DISTRICT’S ASSESSMENT RATES FOR FISCAL YEAR 2016-2017 AND ADOPTION OF RESOLUTION NO. 16-14 REGARDING SAID RATES.***

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**Recommendation:**

It is recommended that Resolution No. 16-14 be adopted establishing secured tax rates for fiscal year 2016-2017 at the rates set forth in said Resolution.

**Background:**

The Palmdale Water District’s assessments are levied to cover the District’s share of costs associated with the State Water Project.

The County of Los Angeles Department of Auditor-Controller has submitted the necessary information to the District for determining the District’s 2016-2017 assessed valuation and tax rate. I have reviewed this information and propose an annual tax assessment rate of 0.277262 for the 2016-2017 fiscal year. The District’s tax assessment rates must be received by the County of Los Angeles Department of Auditor-Controller by August 26, 2016.

**Supporting Documents:**

- August 8, 2016 letter from County of Los Angeles Department of Auditor-Controller regarding 2016-2017 Assessed Valuation and Tax Rate Input Forms
- 2016-2017 assessment calculations
- Resolution No. 16-14 and County form CR52 Report A input form
- Palmdale Water District Voted Indebtedness Rate History dated August 17, 2016

**Strategic Plan Initiative:**

This work is part of Strategic Initiative 3 – Financial Health & Stability



JOHN NAIMO  
AUDITOR-CONTROLLER

# COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

RECEIVED

AUG 11 2016

ADDRESS ALL CORRESPONDENCE TO:  
PROPERTY TAX APPORTIONMENT DIVISION  
500 W. TEMPLE ST., ROOM 484  
LOS ANGELES, CA 90012-3554

August 8, 2016

ALL TAXING AGENCIES  
COUNTY OF LOS ANGELES

Attention: Treasurer or Finance Director

## **2016-2017 ASSESSED VALUATION AND TAX RATE INPUT FORMS**

Enclosed are the 2016-2017 assessed valuation statements for your taxing agency and our standard CR52 Report A input form for this fiscal year. To assist you in establishing your tax rates, also included is an information sheet indicating the 2015-16 unitary and pipeline revenue paid to your agency. This represents your agency's proportionate share of the tax revenue generated from the 2015-16 countywide unitary values assessed by the State and pipeline values assessed by the County.

**The CR52 Report A input form along with a copy of your resolution must be completed and returned by August 22, 2016.** The tax rates must be extended to six decimal places (e.g., 123456). Please enter zeros (e.g., 000000), if your agency does not levy a tax rate. **If your agency levies a tax rate, it must be in accordance with the provisions of Article XIII A, Section 1(b) of the Constitution of the State of California.** This law requires that a debt service rate only be applied to the voters if it is approved prior to July 1, 1978 and any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition.

The completed form(s) should be mailed to:

County of Los Angeles  
Department of Auditor-Controller  
Property Tax Apportionment Division  
500 West Temple Street, Room 484  
Los Angeles, California 90012-3554  
Attention: Grace Kinoshita

13 JUN 2016

Please make sure the input form is completely filled out and signed to ensure inclusion of your tax rate(s) on the tax bills.

If you have any questions or require additional assistance, please contact Grace Kinoshita or Gregory Allen of this office at (213) 974-7998 and (213) 974-7344, respectively.

Sincerely,



Guy Zelenski  
Division Chief

GZ:KB:GK:ga

CreateTax Roll-Annual/New FY Process/FY2016-17/CR Process/Debt Service Rate Letter.doc

Attachments

**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0868

**TAXING AGENCY 308.60 PALMDALE WATER DIST****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND	1719332925
IMPROVEMENTS	4253883451
PERSONAL PROPERTY	24677771
LESS: EXEMPTIONS <sup>1</sup>	132249654
TOTAL - LOCALLY ASSESSED	5865644493

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND	865700
IMPROVEMENTS	
PERSONAL PROPERTY	
TOTAL - PUBLIC UTILITY	865700

TOTAL - SECURED VALUATIONS	5866510193
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SECURED HOMEOWNER EXEMPTION <sup>4</sup>	78283944
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**UNSECURED VALUATIONS <sup>2</sup>**

LAND	
IMPROVEMENTS	31678587
PERSONAL PROPERTY	57406089
LESS: EXEMPTIONS <sup>1</sup>	173500
TOTAL - UNSECURED VALUATIONS	88911176

<b>GRAND TOTAL</b>	<b>5955421369</b>
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AIRCRAFT <sup>3</sup>

UNSECURED HOMEOWNER EXEMPTION <sup>5</sup>	
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TOTAL HOMEOWNER EXEMPTION	78283944
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<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

The above information was compiled  
from the official records of the  
County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division

**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0869

**TAXING AGENCY 308.61 PALMDALE WATER DIST ZONE B****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND 49948196

IMPROVEMENTS 101938113

PERSONAL PROPERTY 45047

LESS: EXEMPTIONS<sup>1</sup> 127510

TOTAL - LOCALLY ASSESSED 151803846

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND

IMPROVEMENTS

PERSONAL PROPERTY

TOTAL - PUBLIC UTILITY

TOTAL - SECURED VALUATIONS 151803846

**UNSECURED VALUATIONS<sup>2</sup>**

LAND

IMPROVEMENTS

PERSONAL PROPERTY 401574

LESS: EXEMPTIONS<sup>1</sup>

TOTAL - UNSECURED VALUATIONS 401574

**GRAND TOTAL 152205420**AIRCRAFT<sup>3</sup>SECURED  
HOMEOWNER EXEMPTION<sup>4</sup> 1324890UNSECURED  
HOMEOWNER EXEMPTION<sup>5</sup>TOTAL  
HOMEOWNER EXEMPTION 1324890<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

The above information was compiled  
from the official records of the  
County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division



**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0870

**TAXING AGENCY 308.62 PALMDALE WATER DIST ZONE B2****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND 1281303

IMPROVEMENTS 2654425

PERSONAL PROPERTY

LESS: EXEMPTIONS <sup>1</sup>

TOTAL - LOCALLY ASSESSED 3935728

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND

IMPROVEMENTS

PERSONAL PROPERTY

TOTAL - PUBLIC UTILITY

TOTAL - SECURED VALUATIONS 3935728

SECURED  
HOMEOWNER EXEMPTION <sup>4</sup> 28000

**UNSECURED VALUATIONS <sup>2</sup>**

LAND

IMPROVEMENTS

PERSONAL PROPERTY

LESS: EXEMPTIONS <sup>1</sup>

TOTAL - UNSECURED VALUATIONS

**GRAND TOTAL 3935728**AIRCRAFT <sup>3</sup>

UNSECURED  
HOMEOWNER EXEMPTION <sup>5</sup>

TOTAL  
HOMEOWNER EXEMPTION 28000

<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

The above information was compiled  
from the official records of the  
County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division



**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0871

**TAXING AGENCY 308.63 PALMDALE WATER DIST ZONE C****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND 8887324

IMPROVEMENTS 20305142

PERSONAL PROPERTY

LESS: EXEMPTIONS<sup>1</sup>

TOTAL - LOCALLY ASSESSED 29192466

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND

IMPROVEMENTS

PERSONAL PROPERTY

TOTAL - PUBLIC UTILITY

TOTAL - SECURED VALUATIONS 29192466

**UNSECURED VALUATIONS<sup>2</sup>**

LAND

IMPROVEMENTS 36328

PERSONAL PROPERTY 164236

LESS: EXEMPTIONS<sup>1</sup>

TOTAL - UNSECURED VALUATIONS 200564

**GRAND TOTAL 29393030**AIRCRAFT<sup>3</sup>

SECURED  
HOMEOWNER EXEMPTION<sup>4</sup> 315000

UNSECURED  
HOMEOWNER EXEMPTION<sup>5</sup>

TOTAL  
HOMEOWNER EXEMPTION 315000

<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

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County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division

**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0872

**TAXING AGENCY 308.65 PALMDALE WATER DIST ZONE E****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND	1121393575
IMPROVEMENTS	2834461950
PERSONAL PROPERTY	1376359
LESS: EXEMPTIONS <sup>1</sup>	18231347
TOTAL - LOCALLY ASSESSED	3939000537

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND	808700
IMPROVEMENTS	
PERSONAL PROPERTY	
TOTAL - PUBLIC UTILITY	808700
TOTAL - SECURED VALUATIONS	3939809237

SECURED  
HOMEOWNER EXEMPTION <sup>4</sup> 52845800

**UNSECURED VALUATIONS <sup>2</sup>**

LAND	
IMPROVEMENTS	18164062
PERSONAL PROPERTY	24387566
LESS: EXEMPTIONS <sup>1</sup>	47000
TOTAL - UNSECURED VALUATIONS	42504628

**GRAND TOTAL 3982313865**AIRCRAFT <sup>3</sup>

UNSECURED  
HOMEOWNER EXEMPTION <sup>5</sup>

TOTAL  
HOMEOWNER EXEMPTION 52845800

<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

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from the official records of the  
County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division

**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0873

**TAXING AGENCY 308.66 PALMDALE WATER DIST ZONE A****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND 537822527

IMPROVEMENTS 1294523821

PERSONAL PROPERTY 23256365

LESS: EXEMPTIONS<sup>1</sup> 113890797

TOTAL - LOCALLY ASSESSED 1741711916

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND 57000

IMPROVEMENTS

PERSONAL PROPERTY

TOTAL - PUBLIC UTILITY 57000

TOTAL - SECURED VALUATIONS 1741768916

**UNSECURED VALUATIONS<sup>2</sup>**

LAND

IMPROVEMENTS 13478197

PERSONAL PROPERTY 32452713

LESS: EXEMPTIONS<sup>1</sup> 126500

TOTAL - UNSECURED VALUATIONS 45804410

**GRAND TOTAL 1787573326**AIRCRAFT<sup>3</sup>SECURED  
HOMEOWNER EXEMPTION<sup>4</sup> 23770254UNSECURED  
HOMEOWNER EXEMPTION<sup>5</sup>TOTAL  
HOMEOWNER EXEMPTION 23770254<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

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from the official records of the  
County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division

**COUNTY OF LOS ANGELES  
AUDITOR - CONTROLLER/TAX DIVISION**

SV13 07/13/16

ASSESSED VALUATIONS AUGUST 2016

0874

**TAXING AGENCY 308.67 PALMDALE WATER-WESTMONT IMP DIST****SECURED VALUATIONS**

## LOCALLY ASSESSED -

LAND 121875781

IMPROVEMENTS 312758777

PERSONAL PROPERTY

LESS: EXEMPTIONS<sup>1</sup> 446286

TOTAL - LOCALLY ASSESSED 434188272

## PUBLIC UTILITY (ST. BOARD OF EQUAL.)

LAND 633700

IMPROVEMENTS

PERSONAL PROPERTY

TOTAL - PUBLIC UTILITY 633700

TOTAL - SECURED VALUATIONS 434821972

SECURED  
HOMEOWNER EXEMPTION<sup>4</sup> 6189400

**UNSECURED VALUATIONS<sup>2</sup>**

LAND

IMPROVEMENTS 118542

PERSONAL PROPERTY 713411

LESS: EXEMPTIONS<sup>1</sup>

TOTAL - UNSECURED VALUATIONS 831953

**GRAND TOTAL 435653925**AIRCRAFT<sup>3</sup>

UNSECURED  
HOMEOWNER EXEMPTION<sup>5</sup>

TOTAL  
HOMEOWNER EXEMPTION 6189400

<sup>1</sup> Exclusive of Homeowner Exemption.<sup>2</sup> Tax levied at last year's secured rate.<sup>3</sup> Taxed at full rate & distributed according to 5451 to 5456 of the Revenue & Taxation Code.<sup>4</sup> Do not add to exemptions for rate setting purposes.<sup>5</sup> Subtract from "Total-Unsecured Valuations" for determination of Unsecured Tax Revenue.

The above information was compiled  
from the official records of the  
County of Los Angeles.

AUDITOR - CONTROLLER

By Arlene Barrera  
Chief, Tax Division

COUNTY OF LOS ANGELES  
AUDITOR-CONTROLLER/TAX DIVISION

2015-2016 UNITARY REVENUE

LISTED BELOW IS THE AMOUNT OF THE COUNTYWIDE UNITARY REVENUE  
CREDITED AND PAID TO YOUR AGENCY FOR 2015-2016. THIS REPRESENTS  
YOUR AGENCY'S SHARE OF THE REVENUE GENERATED FROM THE COUNTYWIDE  
UNITARY (STATE ASSESSED) AND PIPELINE (COUNTY ASSESSED)  
VALUE OF \$15,846,611,423 REPORTED IN 2015-2016.

FOR YOUR INFORMATION, THE 2016-2017 COMBINED COUNTYWIDE UNITARY  
AND PIPELINE VALUE IS \$17,308,741,393.

ACCOUNT NO.	AGENCY NAME	1% REVENUE	D/S REVENUE
-	-	-	-
308.60	PALMDALE WATER DIST	.00	12,448.49
308.61	PALMDALE WATER DIST ZONE B	778.07	.00
308.62	PALMDALE WATER DIST ZONE B2	23.27	.00
308.63	PALMDALE WATER DIST ZONE C	278.38	.00
308.65	PALMDALE WATER DIST ZONE E	12,258.06	.00
308.66	PALMDALE WATER DIST ZONE A	11,602.22	.00
308.67	PALMDALE WATER-WESTMONT IMP	1,454.88	.00

**PALMDALE WATER DISTRICT  
ASSESSMENTS  
For 2015/2016**

**FROM JULY 1, 2016 DWR:**

	Invoice	Amount
2016/2017 Assessments	17-018-T	2,941,308
	17-017-O	27,869
	17-006-E	12,027
	17-009-TAB	42,074
	17-018-U	-
		<u>3,023,278</u>
		3,023,278
REVISION(BASED ON PRIOR YEAR ASSESSMENT)		(134,080)
DWR REFUNDS:		
07/01/15 - 12/31/15		(79,225)
01/01/16 - 06/30/16		(135,765)
		(349,070)
	CRA recovery	431,812
Butte Payments - \$648,151 (12/31/2015) and \$726,859 (6/30/2016)		1,375,010
	TOTAL ASSESSMENT	<u>4,481,030</u>

PRIOR YEAR CALCULATIONS				
FROM JULY 1, 2015 DWR:	FOR 2015	07/01/2015 ORIGINAL	08/02/2016 REVISED	DIFFERENCE
16-018-T		3,217,628	3,138,856	(78,772)
16-017-O		141,309	86,001	(55,308)
16-006-E		11,691	11,691	-
16-009-TAB		45,427	45,427	-
16-018-U		-	-	-
		<u>3,416,055</u>	<u>3,281,975</u>	<u>(134,080)</u>

ASSESSED VALUATION (LAND)							
AREA	DESCRIPTION	2015/2016 ASSESSED VALUE	2015/2016 ASSESSED VALUE	2014/2015 ASSESSED VALUE	2013/2014 ASSESSED VALUE	2012/2013 ASSESSED VALUE	2011/2012 ASSESSED VALUE
A 308.66	Zone A	537,822,527	519,440,362	494,513,962	459,759,989	452,006,573	466,980,020
B 308.61	Zone B	49,948,196	48,236,601	44,587,656	41,376,845	41,334,780	43,281,995
B-2 308.62	Zone B2	1,281,303	1,300,161	1,126,994	1,038,800	1,125,752	1,153,391
C 308.63	Zone C	8,887,324	8,561,121	7,922,187	8,560,655	8,621,552	8,608,811
E 308.65	Zone E	1,121,393,575	1,081,821,440	1,025,841,089	924,011,544	911,405,924	956,781,728
		<u>1,719,332,925</u>	<u>1,659,359,685</u>	<u>1,573,991,888</u>	<u>1,434,747,833</u>	<u>1,414,494,581</u>	<u>1,476,805,945</u>
Assessment requested		<u>4,481,030</u>	4,667,216	5,117,117	4,436,802	4,435,814	4,048,860
TOTAL ASSESSED VALUE OF DISTRICT		1,719,332,925	1,659,359,685	1,573,991,888	1,434,747,833	1,414,494,581	1,476,805,945
PALMDALE REDEV AGENCY(EST)		-	-	-	-	-	(5,945)
NET ASSESSED VALUE		<u>1,719,332,925</u>	<u>1,659,359,685</u>	<u>1,573,991,888</u>	<u>1,434,747,833</u>	<u>1,414,494,581</u>	<u>1,476,800,000</u>
One Percent		<u>17,193,329</u>	<u>16,593,597</u>	<u>15,739,919</u>	<u>14,347,478</u>	<u>14,144,946</u>	<u>14,768,000</u>

ASSESSMENT ON ADJUSTMENTS							
2016/2017	4,481,030 / 17,193,329 * .94	<u>0.277262</u>					
2015/2016	4,467,216 / 16,593,597 * .94		<u>0.299219</u>				
2014/2015	5,117,117 / 15,739,919 * .94			<u>0.345856</u>			
2013/2014	4,436,802 / 14,347,478 * .94				<u>0.328978</u>		
2012/2013	4,435,814 / 14,144,946 * .94					<u>0.333614</u>	
2011/2012	4,048,860 / 14,768,000 * .94						<u>0.291664</u>
2010/2011	4,505,232 / 15,285,000 * .94						



**PALMDALE WATER DISTRICT  
RESOLUTION NO. 16-14**

WHEREAS, the Los Angeles County Auditor-Controller has submitted to the Palmdale Water District the assessed value information necessary to enable the District to establish its assessment rates; and

WHEREAS, the Board of Directors has reviewed the assessed value information and has calculated the amounts needed to be raised to meet the State Water Contract; and

WHEREAS, the Board of Directors has determined the assessment rate required to raise the required funds.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Palmdale Water District hereby establishes the following secured tax rates for 2016-2017:

<u>ACCOUNT #</u>	<u>AGENCY NAME</u>	<u>TAX RATE</u>
308.60	Palmdale Water District	.000000
308.61	Palmdale Water District Zone B	0.277262
308.62	Palmdale Water District Zone B2	0.277262
308.63	Palmdale Water District Zone C	0.277262
308.65	Palmdale Water District Zone E	0.277262
308.66	Palmdale Water District Zone A	0.277262
308.67	Palmdale Water-Westmont Imp. Dist.	.000000

FURTHER RESOLVED, that the Board of Supervisors of the County of Los Angeles, State of California, is hereby authorized and directed, at the time and in the manner directed by law, in addition to any and all other taxes and assessments levied against the lands within the Palmdale Water District, to levy and collect assessments against all of the lands within said District and the aforesaid improvement District at the rates set forth above.

PASSED AND ADOPTED at a regular meeting of the Board of Directors held on August 24, 2016, by the following roll call vote:

AYE:

NO:

ABSENT:

I hereby certify under penalty of perjury that the tax rates levied herein are exempt from the application of Article XIII A, Section 1(A) of the Constitution of the State of California.

DATED: August 24, 2016

Name: Robert Alvarado  
Title: President, Board of Directors

RESOLUTION NO. 16-14

CR52RPTA

COUNTY OF LOS ANGELES  
AUDITOR-CONTROLLER, TAX DIVISION

2016 - 17 SECURED TAX RATES

ACCT #	AGENCY NAME	TAX RATE
308.60	PALMDALE WATER DIST	<u>.000000</u>
308.61	PALMDALE WATER DIST ZONE B	<u>0.277262</u>
308.62	PALMDALE WATER DIST ZONE B2	<u>0.277262</u>
308.63	PALMDALE WATER DIST ZONE C	<u>0.277262</u>
308.65	PALMDALE WATER DIST ZONE E	<u>0.277262</u>
308.66	PALMDALE WATER DIST ZONE A	<u>0.277262</u>
308.67	PALMDALE WATER-WESTMONT IMP DIST	<u>.000000</u>

I, Robert Alvarado, AM A-MEMBER-OF-THE-CITY-COUNCIL, A MEMBER OF THE GOVERNING BOARD, ~~THE-CHIEF-EXECUTIVE-OR-THE-CHIEF-FINANCIAL-OFFICER~~ FOR THIS AGENCY AND I HEREBY CERTIFY THAT THE TAX RATES LEVIED HEREIN ARE IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE XIII SECTION 1(b) OF THE CONSTITUTION OF THE STATE OF CALIFORNIA.

President,  
Board of Directors

August 24, 2016

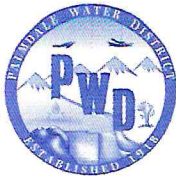
AUTHORIZED SIGNATURE  
Robert Alvarado

TITLE

DATE



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](https://twitter.com/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

August 17, 2016

## Palmdale Water District Voted Indebtedness Rate History

Tax Year	Assessment Rate (\$/\$100 Land Value)
1991 - 1992	0.199614
1992 - 1993	0.154190
1993 - 1994	0.178991
1994 - 1995	0.184907
1995 - 1996	0.194441
1996 - 1997	0.274384
1997 - 1998	0.213657
1998 - 1999	0.200543
1999 - 2000	0.282007
2000 - 2001	0.296912
2001 - 2002	0.254909
2002 - 2003	0.375114
2003 - 2004	0.091329
2004 - 2005	0.163885
2005 - 2006	0.152281
2006 - 2007	0.119654
2007 - 2008	0.125445
2008 - 2009	0.125932
2009 - 2010	0.317372
2010 - 2011	0.313562
2011 - 2012	0.291664
2012 - 2013	0.333614
2013 - 2014	0.328978
2014 - 2015	0.345856
2015 - 2016	0.299219
2016 - 2017	0.277262



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



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

**DATE:** August 17, 2016 **August 24, 2016**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Michael Williams, Finance Manager/CFO  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON  
CONFIRMING CREDIT RATING FROM STANDARD & POOR’S AT A COST  
NOT TO EXCEED \$20,000.00.***

---

**Recommendation:**

Staff recommends approval of confirming our credit rating from Standard & Poor’s in preparation of refinancing the 2012 debt and 2013A Water Revenue bonds in an amount not to exceed \$20,000.00.

**Alternative Options:**

There is no alternative if the District wishes to refinance the 2012 debt and 2013A Water Revenue bonds.

**Impact of Taking No Action:**

The District would not have a confirmed credit rating in order to issue 2016A refunding bonds at the best market rate.

**Background:**

As has been presented to the Board as an information item, the District is considering refinancing all of its 2012 debt with the Bank of Nevada and a portion of its 2013 Revenue Bonds. As was explained to the Board's Finance Committee, all of the costs associated with this refinancing are contingent upon a successful closing of the refinancing, with one exception. The District will need to get a confirmation of its credit rating from Standard & Poor's. Standard & Poor's currently assigns a rating of "A-" to the District's 2013 revenue bonds.

The Standard & Poor's fee for providing this service is estimated at not-to-exceed \$20,000.00 and is not contingent upon a successful closing of the refinancing. If interest rates increase to the point where the refinancing is no longer feasible, then the District would still owe this fee to Standard & Poor's. However, the District's finance team can

BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

August 17, 2016

defer payment of this fee for several months by requesting that Standard & Poor's not release the rating to the public. This provides the District and its finance team with a window of at least 90 days to wait for more favorable market conditions.

**Strategic Plan Initiative:**

Strategic Plan Initiative No. 4 – Financial Health & Stability.

**Budget:**

This is a non-budgeted item, but reimbursable upon successful bond issuance closing.

**Supporting Documents:**

- Standard & Poor's Engagement Letter



**Morna Lebron**  
**Manager Fee Administration**  
**55 Water Street, 38th Floor**  
**New York, NY 10041-0003**  
**tel 212 438-6808**  
**morna.lebron@spglobal.com**  
Issue No.: 1450417  
Obligor ID : 23034

August 9, 2016

Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550  
Attention: Mr. Michael Williams, Chief Financial Officer

**Re: *US\$17,000,000 Palmdale Water District, California, Water Revenue Refunding Bonds, Series 2016, dated: Date of delivery, due: October 01, 2043***

Dear Mr. Williams:

Thank you for your request for a public S&P Global Ratings credit rating for the above-referenced obligations. We agree to provide credit ratings for the obligations in accordance with this letter and the rating letter, and you agree to perform your obligations set out in sections 1, 2 and 3 of this letter. Unless otherwise indicated, the term “issuer” in this letter means both the issuer and the obligor if the obligor is not the issuer.

We will make every effort to provide you with the high level of analytical performance and knowledgeable service for which we have become known worldwide. You will be contacted directly by your assigned analytic team.

#### 1. Fees and Termination.

In consideration of our analytic review and issuance of the credit rating, you agree to pay us the following fees:

**Rating Fee.** You agree to pay us a credit rating fee of \$20,000 plus all applicable value-added, sale, use and similar taxes. S&P Global Ratings reserves the right to adjust the credit rating fee if the proposed par amount changes. Payment of the credit rating fee is not conditioned on S&P Global Ratings issuance of any particular credit rating.

**Derivatives Products Analysis Fee.** S&P Global Ratings charges a separate fee for our review of derivative products. This separate fee is applicable for derivative products secured by any of the issuer’s revenues. Derivative products include, but are not limited to, interest rate swaps, caps, collars, floors, and swaptions. Derivative products analysis fees will be determined on a case-by-case basis based on the number and complexity of the derivative products.

Other Fees and Expenses. You will reimburse S&P Global Ratings for reasonable travel and legal expenses if such expenses are not included in the above fees. Should the credit rating not be issued, you agree to compensate us based on our time, effort, and charges incurred through the date upon which it is determined that the credit rating will not be issued.

Termination of Engagement. This engagement may be terminated by either party at any time upon written notice to the other party.

## 2. Private and Confidential Credit Ratings.

If you request a confidential credit rating under this Agreement, you agree that the credit rating will be exclusively for your internal use, and not to disclose it to any third party other than your professional advisors who are bound by appropriate confidentiality obligations or as otherwise required by law or regulation or for regulatory purposes.

If you request a private credit rating under this Agreement, S&P Global Ratings will make such credit rating and related report available by email or through a password-protected website or third-party private document exchange to a limited number of third parties you identify, and you agree not to disclose such credit rating to any third party other than (A) to your professional advisors who are bound by appropriate confidentiality obligations, (B) as required by law or regulation or for regulatory purposes, or (C) for the purpose of preparing required periodic reports relating to the assets owned by a special purpose vehicle that has purchased the rated obligation, provided that the preparer(s) of the reports must agree to keep the information confidential and the private credit rating shall not be referred to or listed in the reports under the heading "credit rating," "rating" or "S&P rating", and shall be identified only as an "S&P Global Ratings implied rating" or similar term. If a third-party private document exchange is used, you agree to pay a one time administrative fee of \$10,000 in addition to the fees outlined in this Agreement. You also agree to maintain the list of third-parties authorized to access the private credit rating current and to notify S&P Global Ratings in writing of any changes to that list. S&P Global Ratings may make access to the private credit rating subject to certain terms and conditions, and disclose on its public website the fact that the rated entity or obligations (as applicable) has been assigned a private credit rating.

## 3. Information to be Provided by You.

To assign and maintain the credit rating pursuant to this letter, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the credit rating and the continued flow of material information as part of the surveillance process. You also understand that credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings opinion of the information received from issuers and their agents and advisors.

#### 4. Other.

S&P Global Ratings has not consented to and will not consent to being named an “expert” or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an “underwriter” or “seller” under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, “Confidential Information” shall mean verbal or written information that the issuer, its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is “Confidential.”

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Please feel free to call me if you have any questions or suggestions about our fee policies. In addition, please visit our web site at [www.standardandpoors.com](http://www.standardandpoors.com) for our ratings definitions and criteria, research highlights, and related information. We appreciate your business and look forward to working with you.

Sincerely yours,

A handwritten signature in blue ink that reads "Norma Lebron". The signature is written in a cursive, flowing style.

Manager, Fee Services  
S&P Global Ratings  
a division of Standard & Poor’s Financial Services LLC

By: Morna Lebron  
Manager Fee Administration

ZW  
cc: Mr. Rob Schmidt, Vice President  
NHA Advisors

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

**DATE:** August 18, 2016 **August 24, 2016**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Matthew R. Knudson, Assistant General Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION  
ON PROPOSAL TO PERFORM CONCENTRATION-TIME (CT) STUDY  
FOR EACH OF THE DISTRICT’S 22 ACTIVE GROUNDWATER  
WELLS***

---

**Recommendation:**

That the Board:

1. Accept proposal from Carollo Engineers to perform Concentration-Time (CT) Study for each of the District’s 22 active groundwater wells in a not-to-exceed amount of \$9,700.00; and
2. Authorize the General Manager to execute an agreement with Carollo Engineers utilizing the District’s standard Professional Services Agreement for same.

**Background:**

The purpose of the study is to calculate the disinfection credit for each of the District’s 22 active groundwater wells. Under the United States Environmental Protection Agency (USEPA) Groundwater Rule, the District must operate in one of two modes: (1) demonstrate that its free chlorine disinfection achieves a 4-log reduction of viruses prior to the first customer’s service and have continuous chlorine residual monitoring, or (2) operate under the USEPA “Triggered Source Water Monitoring Requirements” whereby a valid total coliform-positive sample triggers the requirement from each of the source that influence said sample within 24-hours.

If the study proves that the District meets the 4-log reduction of viruses prior to the first customer for each of the groundwater wells, the District will submit a Technical Memorandum to the State Water Resources Control Board and evaluate the cost of installing continuous chlorine residual monitoring at each of the well sites and consider installing as part of the 2017 Budget process.



BOARD OF DIRECTORS  
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

August 18, 2016

The District received two letter proposals to perform this work. Carollo's proposal is in the amount of \$9,700.00, and Kennedy/Jenks proposal is in the amount of \$10,989.00. Both of these firms are qualified to perform this work, and they both continue to and have performed high quality work for the District on other projects.

**Strategic Plan Initiative:**

This work is part of Strategic Initiative No. 1 – Water Resource Reliability and Strategic Initiative No. 3 – System Efficiency.

**Budget:**

This task was not included in the approved 2016 Operating Budget, but there is \$10,000.00 available under the ARC Flash line item that will not be spent this calendar year. Staff is recommending to utilize the available \$10,000.00 within the Capital Expenditure budget to cover the costs associated with this contract.

**Supporting Documents:**

- Letter Proposals from Carollo Engineers and Kennedy/Jenks Consultants

August 5, 2016

Palmdale Water District  
Attn: Matt Knudson  
Assistant General Manager  
2029 East Avenue Q  
Palmdale, CA 93550

Subject: Proposal for a Groundwater Rule CT study

Dear Mr. Knudson:

In response to our telephone conversation on August 1, 2016, we have developed a scope of work and fee estimate to prepare a CT study in accordance with the Groundwater Rule to submit to the State Water Resources Control Board. This letter proposal includes a project understanding, a proposed scope of work, labor effort, and schedule to deliver a desktop CT study.

## PROJECT UNDERSTANDING

We understand that the District has 22 existing operating groundwater wells; each of the wells is also treated with sodium hypochlorite for disinfection. The existing wells currently pump native water from the groundwater aquifer, however, the District plans to introduce imported surface water and recycled water by spreading for recharge into the groundwater basin.

In response, the District wishes to evaluate their groundwater wells to ensure that existing treatment meets a 4-log inactivation/removal of viruses. In the case that there is a positive coliform in the distribution system, the District would like to have shown that they have sufficient treatment to meet CT requirements at each of the wells. The District is interested in a study of their groundwater wells to show that there is sufficient residence time in the existing distribution system between each of the wells and the first customer.

This study, once produced, would be submitted to the State Water Resources Control Board to show, based on desktop calculations, that sufficient CT requirements are met from each of the groundwater wells. For the locations where CT cannot be met from a particular groundwater well, Carollo will make appropriate recommendations for meeting CT from that well, most likely by either increasing the chlorine dose or increasing the contact time before reaching first customer.

Due to the simplicity of connections of most of the groundwater wells to the distribution system, Carollo proposes performing calculations based on information in the existing GIS and record drawings to determine the minimum distance to the first customer, however, the District's existing hydraulic model will be used to assist in the calculation if necessary.

## SCOPE OF SERVICES

The project scope is divided into the following two (2) primary tasks:

1. CT Calculations
2. Summary Report

The scope of each task and the estimated labor effort by task and subtasks are described in the following sections.

## Task 1 – CT Calculations

### Task 1.1 – Data Collection and Review

Carollo will collect the data necessary from the District to perform this study. This information is expected to consist of the following pieces of information:

- District's GIS data for wells, pipelines, and customer meters
- Record drawings or schematic sketches for each of the wells
- Historic flow, temperature, and chlorine dosing data for each of the wells

### Task 1.2 - Perform CT Calculations

Carollo will determine the minimum CT achieved at each of the District's existing wells. Using historical chlorine doses, temperatures, flow rates, and distance to the nearest service connection, Carollo will calculate the historic CT achieved from each of the groundwater wells. The historic CT will then be compared with the required CT to achieve 4-log virus removal.

Some of the existing groundwater wells may not achieve 4-log virus removal before reaching the first customer. For these wells, additional CT will be necessary, either by increasing the chlorine dose or by increasing contact time.

#### ***Task Deliverables:***

- CT calculations

## Task 2 – Summary Technical Memorandum and Meetings

### Task 2.1 –Project Meetings

Carollo will prepare for and attend a kickoff meeting and one meeting to present results. As part of this task, meeting agendas and notes will be prepared by Carollo staff and delivered in electronic format. The meetings are assumed to take place as the following project milestones:

- Project Kickoff- Project kickoff meeting to introduce team members, review project scope, discuss project expectations, communications, and schedule.
- Result Presentation Meeting - Review the draft CT calculations, any recommended improvements, and draft Technical Memorandum

### Task 2.2 - Draft Report

Carollo will prepare a draft technical memorandum (TM) that documents the assumptions, results of the calculations, and any recommendations. The TM will also consist of calculations in an Appendix. The draft TM will be submitted in electronic format.

### Task 2.3 - Final Report

The draft TM will be discussed in a face-to-face meeting as and comments will be incorporated in a Final TM. Five hard copies and an electronic copy of the final TM will be submitted to District staff.

#### ***Task Deliverables:***

- Draft Report (1 electronic copy)
- Final Report (5 hard copies, 1 electronic copy)
- Meeting agenda and notes (2 each)

### SCHEDULE

Carollo will initiate this work upon a notice to proceed. We estimate that we can complete a draft report within one month from the kickoff meeting, with the final report completed two weeks after the final report meeting. A detailed project schedule will be prepared for the kickoff meeting.

### TEAM

Carollo is proposing Mr. Jim Meyerhofer, P.E. to serve as Principal-in-Charge and Technical Reviewer, Mr. Matthew Huang, P.E. as Project Manager, and Kerrick Ryan as Project Engineer.

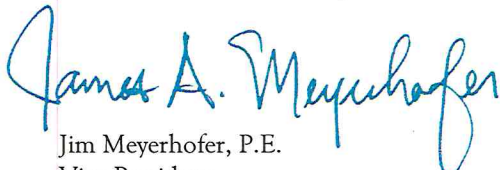
### LABOR HOUR AND FEE PROPOSAL

Based on the scope of services described above, we propose to perform this work for a lump sum fee of \$9,700. Our labor estimate to complete the project is 65 hours.

We look forward discussing this proposal and welcome any comments and suggestions to modify the scope described herein to match your expectations for this project. If you have questions, please do not hesitate to give me or Matt Huang, our proposed Project Manager, a call directly.

Sincerely,

CAROLLO ENGINEERS, INC.

  
Jim Meyerhofer, P.E.  
Vice President



28 July 2016

Mr. Matthew Knudson  
Assistant General Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Subject: Proposal for a Concentration–Time (CT) Study

Dear Mr. Knudson,

Kennedy/Jenks is pleased to submit this proposal for a CT Study for Palmdale Water District's (PWD's; District's) consideration.

This proposal presents:

- Background
- Scope of Work
- Project Team
- Fee Estimate
- Schedule

## **BACKGROUND**

The purpose of this study is to calculate the disinfection credit for each of the District's 22 potable groundwater wells when operating individually or in combination with one or more wells along the same pipeline system. Under the USEPA Groundwater Rule (GWR), the District must operate in one of two modes: (1) demonstrate that its free chlorine disinfection achieves a 4-log reduction of viruses prior to the first distribution system customer and have continuous chlorine residual monitoring, or (2) operate under the USEPA "Triggered Source Water Monitoring Requirements" whereby a valid total coliform-positive sample triggers the need to conduct source water monitoring within 24 hours from each source in use at the time the total coliform-positive sample was collected.

The Concentration-Time (CT) represents the product of  $C \times t$  (residual disinfectant concentration in mg/L x time in minutes) and is used to calculate specific log removals. A CT Study determines the removal credit for a given infrastructure and various operating conditions, including production rate, total flow within each pipeline reach, and residual disinfectant concentrations.

Since the District uses free chlorine as its disinfectant, the USEPA free chlorine CT Tables will be used for specific water temperature and pH range to generate the actual log credit. For example, for a supply treated with free chlorine with a pH in the range of 6.0 to 9.0 and a water temperature of 14 degrees C, the CT required for a 4-log inactivation of viruses is 4.4 mg/l-min. To achieve a CT of 4.4, the "t" for a chlorine residual of 0.5 mg/L would need to be 8.8 minutes. For a well pumping 1,000 gpm through a 10-inch diameter well collector pipeline (velocity = 4.1 fps), it would require approximately 2,200 linear feet of pipeline to achieve 4-log inactivation of viruses. If the 10-inch diameter pipeline in question was only 1,100 feet in length, then the required CT could be met by doubling the chlorine residual or reducing the flow by 50% or some combination. An interactive CT Study spreadsheet will allow these "what if" scenarios to be quickly analyzed.

## **SCOPE OF WORK**

This scope of work is based on discussions with PWD staff and our understanding of your well collection system, and the availability of a new up-to-date hydraulic model, and well site as-built drawings. The scope consists of two tasks with multiple subtasks.

### **Task 1 – Project Management and QA/QC**

This task includes three subtasks as follows:

- Project Management
- Meetings
- Quality Assurance/Quality Control (QA/QC)

#### **1.1 Project Management**

This task includes coordination of our technical resources, scheduling, tracking expenditures and progress within the District's expectations for scope and level of effort. We will provide periodic progress updates by phone or e-mail.

#### **1.2 Meetings**

Kennedy/Jenks will attend two meetings at PWD and a third meeting by conference call.

#### **1.3 QA/QC**

Kennedy/Jenks will have a second person review all materials before they are submitted to the District.

## **Task 2 – Data Collection and Review**

### **2.1 – Data Collection and Review**

K/J proposes to use the existing hydraulic model to estimate the well collector pipeline lengths and diameters. In addition, K/J will review the well site drawings in order to accurately add the onsite piping to the pipeline lengths to establish the total length.

### **2.2 – Tabulate Well Collection Pipeline Details**

K/J will develop a spreadsheet which lists the well collector pipeline lengths and diameters for all existing wells and combination of wells with common pipelines from each well (point of chlorine injection) to the distribution system.

### **2.3 – Well Collection Pipeline Figures**

K/J will prepare well collector figures representing the data from Task 2.2

### **2.4 – Groundwater CT Spreadsheet**

K/J will develop a Groundwater CT spreadsheet that complies with USEPA and California Division of Drinking Water (DDW) requirements for a Groundwater CT Study and includes a ratio of the actual verses required CT values.

### **2.5 – Interpretation of Results**

K/J will evaluate the results and make recommendations for meeting deficiencies.

### **2.6 - Tech Memo**

K/J will prepare a brief Technical Memorandum summarizing Tasks 2.1-2.5

## **PROJECT TEAM**

David Ferguson, Ph.D. – Project Manager  
Brandon Hale, P.E. – Project Engineer  
Paul Tinhpheng, P.E. – QA/QC Review

## **FEE ESTIMATE**

The fee for the base scope of work (Tasks 1 through 2) is \$10,989 as presented in the attached spreadsheet.

## **SCHEDULE**

The work can be completed within 60 days from a notice to proceed.

We appreciate this opportunity to continue to work with the District. Should you have any questions please feel free to call me at 626-568-4302 (office) or 909-782-2896 (cell).

Mr. Matthew Knudson  
Palmdale Water District  
July 28, 2016  
Page 4

Very truly yours,

KENNEDY/JENKS CONSULTANTS

A handwritten signature in blue ink, appearing to read "David W. Ferguson", with a stylized flourish at the end.

David W. Ferguson, Ph.D., P.E.  
Vice President



# Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: Palmdale Water District  
 PROJECT Description: CT Study  
 Proposal/Job Number: \_\_\_\_\_ Date: 7/28/2016

Custom Rates (Effective May 28, 2016)																KJ	KJ	KJ	
	Eng-Sci-9	Eng-Sci-8	Eng-Sci-7	Eng-Sci-6	Eng-Sci-5	Eng-Sci-4	Eng-Sci-3	Eng-Sci-2	Eng-Sci-1	Designer	CAD/Eng Tech	Project Admin.	Admin. Assist.	Aide	Total	Labor	ODCs	ODCs Markup	Total
Classification:																			
Hourly Rate:	\$250	\$240	\$225	\$205	\$185	\$170	\$155	\$135	\$120	\$135	\$110	\$100	\$85	\$65	Hours	Fees	Fees	5%	Fees
<b>Task 1: Project Management</b>																			
1.1 Project Management	2						2						4		8	\$1,150		\$0	\$1,150
1.2 Meetings	2						8								10	\$1,740	\$175	\$9	\$1,924
1.3 Quality Assurance/Quality Control					3										3	\$555		\$0	\$555
<b>Task 1 - Subtotal</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>21</b>	<b>\$3,445</b>	<b>\$175</b>	<b>\$9</b>	<b>\$3,629</b>
<b>Task 2: CT Study</b>																			
2.1 Data Collection and Review							4								4	\$620		\$0	\$620
2.2 Tabulate Well Collection Pipeline Details							12								12	\$1,860		\$0	\$1,860
2.3 Well Collection Pipeline Figures							2				6				8	\$970		\$0	\$970
2.4 Groundwater CT Spreadsheet	1						10								11	\$1,800		\$0	\$1,800
2.5 Interpretation of Results	1						4								5	\$870		\$0	\$870
2.6 Tech Memo							8								8	\$1,240		\$0	\$1,240
<b>Task 2 - Subtotal</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>\$7,360</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,360</b>
<b>Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>69</b>	<b>\$10,805</b>	<b>\$175</b>	<b>\$9</b>	<b>\$10,989</b>

# Proposal Fee Estimate

Kennedy/Jenks Consultants

CLIENT Name: Palmdale Water District  
 PROJECT Description: CT Study  
 Proposal/Job Number: \_\_\_\_\_ Date: 7/28/2016

Custom Rates (Effective May 28, 2016)																			
Classification:	Eng-Sci-9	Eng-Sci-8	Eng-Sci-7	Eng-Sci-6	Eng-Sci-5	Eng-Sci-4	Eng-Sci-3	Eng-Sci-2	Eng-Sci-1	Designer	CAD/Eng Tech	Project Admin.	Admin. Assist.	Aide	Total	KJ Labor	KJ ODCs	KJ ODCs Markup	Total
Hourly Rate:	\$250	\$240	\$225	\$205	\$185	\$170	\$155	\$135	\$120	\$135	\$110	\$100	\$85	\$65	Hours	Fees	Fees	5%	Fees
<b>Task 1: Project Management</b>																			
1.1 Project Management	2						2						4		8	\$1,150		\$0	\$1,150
1.2 Meetings	2						8								10	\$1,740	\$175	\$9	\$1,924
1.3 Quality Assurance/Quality Control					3										3	\$555		\$0	\$555
<b>Task 1 - Subtotal</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>21</b>	<b>\$3,445</b>	<b>\$175</b>	<b>\$9</b>	<b>\$3,629</b>
<b>Task 2: CT Study</b>																			
2.1 Data Collection and Review							4								4	\$620		\$0	\$620
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<b>Task 2 - Subtotal</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>\$7,360</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,360</b>
<b>Total</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>69</b>	<b>\$10,805</b>	<b>\$175</b>	<b>\$9</b>	<b>\$10,989</b>

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

**DATE:** August 17, 2016 **August 24, 2016**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mike McNutt, Public Affairs & Sustainability Director  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION  
ON SPONSORSHIP OF WATER: TAKE 1 SHORT FILM CONTEST***

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**Recommendation:**

Staff recommends the Board of Directors consider the District sponsoring the Water: Take 1 short film contest in the amount of \$5,000.00.

Water: Take 1, while launched by the City of Ventura, is actually a global initiative at its heart. The projects come from all over the world and this sponsorship will provide the PWD with the opportunity to demonstrate our leadership as we have done since 1918. While the website currently reflects a somewhat Ventura-centric message, it will be adapted to reflect all partners in more detail and highlight the different agendas and mandates of the partners.

**Alternative Options:**

Not supporting this initiative and staying with the status quo.

**Impact of Taking No Action:**

Not adhering to our Strategic Plan Initiatives of regional leadership and innovation. Continuing to be mundane, ordinary, commonplace, while not supporting efforts to marry creativity and water messaging.

**Background:**

Water: Take 1 presents the best water-themed short films – narrative, documentary, comedy, drama, animation, live action – to a distinguished jury made up of leaders in water and environmental issues, entertainment professionals and influential members of the community.

August 17, 2016

Bringing together leading experts in the fields of water efficiency, recycling and resource management with partners in online entertainment media production and distribution, Water: Take 1 serves as a mechanism to engage media savvy viewers in the creation of a social network of online content to extend the national reach of Ventura Water and its message.

And our message is simple: Imagine a world where every type of water is paired with a right use, restoring the water cycle to a sustainable cycle. Rain is captured and/or infiltrated into the ground for later use. Water used indoors has a second life as greywater. Reclaimed water is recycled in ways that benefit our world, bringing the water cycle full circle. Water lives in an integrated world and so must we.

**Strategic Plan Initiative:**

This work is part of Strategic Initiative #2 through demonstrating our commitment to the development of innovative ideas and awards and Strategic Initiative #5 showcasing regional leadership, and lastly, highlighting Initiative #1, which is water resource reliability.

**Budget:**

This is an item that would be funded through General Media in the 2016 budget for \$5,000.00.

**Supporting Documents:**

- Water: Take 1 Partner Outline



## **Water: Take 1 Partner Outline**

### Option 1: Palmdale Water District Vision Award / Benefactor Level Sponsorship

The Palmdale Water District would join Water: Take 1 in establishing a unique Vision Award recognizing films that best exemplify your mission and mandate.

Ventura Water will thus incorporate the Palmdale Water District into the Water: Take 1 platform including, but not limited to, the following:

- Program development including content parameters, submission guidelines, technical requirements, terms of use, rules and regulations;
- Oversight of submission process including adherence to stated guidelines, technical assistance and overall user support;
- Management of additional promotional programs including social media outreach, advertising, audience voting, blogging, commenting and other festival collaborations;
- Full integration of the Palmdale Water District partnership and Vision Award at Water: Take 1 VIP Reception in the fall and the Awards Ceremony in March 2017.

The Palmdale Water District will participate with program elements including, but not limited to, the following efforts:

- Ongoing 'Call for Submissions' to the district and surrounding area residents and constituents via email campaigns, social media, community outreach to the business and educational community, local events, etc;
- Final selection of the winner and creation of the actual prize that will be granted the winner (often a monetary reward of \$500.00); *Ventura Water will assist with development and ideas and will also assist in project review.*
- Coordination of press releases to announce the launch of the program, important milestones such as deadlines and of course, the winner and other relevant news pertaining to the content;
- Outreach and robust promotion to their local arts and entertainment industry's highlighting the program on an ongoing basis.

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

**PALMDALE RECYCLED WATER AUTHORITY (PRWA)**

**MINUTES OF JUNE 17, 2015  
REGULAR MEETING AGENDA NO. 18 OF THE  
PALMDALE RECYCLED WATER AUTHORITY (PRWA)  
HELD AT CITY OF PALMDALE CITY HALL COUNCIL CHAMBERS  
38300 SIERRA HIGHWAY, SUITE B  
PALMDALE, CALIFORNIA**

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

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

**1. CALL TO ORDER.**

Chair Ledford called the meeting to order at 7:00 p.m.

**2. PLEDGE OF ALLEGIANCE.**

**3. ROLL CALL: DIRECTORS JAMES C. LEDFORD, JR., KATHY MAC  
LAREN, ROBERT ALVARADO, FRED THOMPSON, AND  
HELEN VELADOR**

**PRESENT:** Chair Ledford, Directors Mac Laren, Alvarado, and Velador

**Motion:** Move to excuse the absence of Director Thompson.

Moved by Director Alvarado, seconded by Director Mac Laren

**Vote:** Motion Carried (4-0)

**Yes:** Chair Ledford, Directors Mac Laren, Alvarado, and Velador

**Absent:** Director Thompson

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

**Motion:** Move to waive full reading of the Resolution(s) to be considered and voted on at this meeting.

Moved by Director Velador, seconded by Director Mac Laren

**Vote:** Motion Carried (4-0)

**Yes:** Chair Ledford, Directors Mac Laren, Alvarado, and Velador

**Absent:** Director Thompson

**5. CONSENT CALENDAR – PUBLIC COMMENTS ONLY:**

There were no public comments.



**6. CONSENT CALENDAR:**

- 6.1 Approve the Minutes from the previous meeting held on May 20, 2015 (7pm). (Staff Reference: Authority Secretary Smith)
- 6.2 Approve Receipt and Filing of the Treasurer's Report for the five months ending May 31, 2015. (Staff Reference: Treasurer/Auditor Johnston).

**Motion:** Move to approve the recommendations and findings on all items listed under this Consent Calendar.

Moved by Director Velador, seconded by Director Mac Laren

**Vote:** Motion Carried (4-0)

**Yes:** Chair Ledford, Directors Mac Laren, Alvarado, and Velador

**Absent:** Director Thompson

**7. SPECIAL REPORT:**

- 7.1 **This item was continued from the May 20, 2015 meeting.** Discussion and possible action regarding priority of use of Recycled Water and a status on the Recycled Water Allocation Agreements. (Staff Reference: Authority Counsel Ditzhazy)

**There was No Staff Report for this Item. The following documents were provided to the Board:**

- **Correspondence to Supervisor Antonovich dated June 10, 2015**
- **Joint Exercise of Powers Agreement – 2<sup>nd</sup> Amendment dated 10/2/2013**
- **Joint Exercise of Powers Agreement – 1st Amendment dated 03/06/2013**
- **Joint Exercise of Powers Agreement – dated 09/26/2012**

City Attorney Ditzhazy stated that at the last meeting the Board directed staff to prepare a letter to Supervisor Antonovich which was prepared and delivered to the Supervisor and all other entities, the Sanitation Districts and Water Districts, that were involved and it was to be delivered in advance of the joint meeting that was held today.

Assistant Executive Director Mischel stated that in addition to himself and Interim City Manager Ken Pulskamp the were also representatives attending the joint meeting on behalf the City of Lancaster, Palmdale Water District, the Sanitation District, and L.A. County Waterworks.



Assistant Executive Director Mischel stated that the bottom line is that County Waterworks has agreed to go back to their Board and unwind what they need to unwind to get out of the recycled water business within a 6 to 8 week time frame which will allow the Sanitation District to move forward with the revised allocation contracts to the authorities. Each of the cities will have to go back to their council. Assistant Executive Director Mischel stated that it went the way that we had hoped it would go and it is good news. He stated this will include expanding the boundaries to include the west portion of the City of Palmdale. Also, we will need a recycled water purveyor and owner and operator of the backbone system in the City of Palmdale. He stated that staff will come back to the Board to ask for permission to add the west portion.

Director Alvarado stated he was surprised about the outcome of the meeting and their decision and asked if there is anything that might create problems in the future. Assistant Executive Director Mischel stated there are some legal qualifiers that have to be taken care of and he does not foresee problems. Executive Director LaMoreaux stated that nothing was apparent at this time but we will wait and see what the process is and exactly what they are going to pass on to us and at what price. That this is all fresh as the decision was made by Supervisor Antonovich last Friday.

There was further discussion by the Board members.

Director Alvarado stated that once everything has been resolved, he would like to see a letter of appreciation sent to the Board of Supervisors and L.A. County Waterworks to thank them for making this happen.

The Board members concurred that this is good news.

#### **8. NON-AGENDA ITEMS - PUBLIC COMMENTS:**

Gordon Phair provided the Board with an update of the design. He stated Barry Munz is the designer and they are almost finished with mapping the utilities and the base plan. An application has been submitted for a grant pursuant to Board approval at the last meeting.

Chair Ledford asked if we will see some shared money from the County. Executive Director LaMoreaux stated this will augment our potable water.

Executive Director LaMoreaux stated the Water District staff is preparing a package for the Bureau of Reclamations to get in line for construction loans for this project.

Director Alvarado would like to see an update of the streamlining for releasing funding for water storage and recycled water at a much higher rate and asked for the latest information. Executive Director LaMoreaux stated we will check into that specific statement and as far as Prop 1 that was passed and there will

hearings for rules for distributing that will come up next month. Chair Ledford stated we should talk to our State Senator and Assemblyman and maybe they will be able to provide insight on how to get some money and that we have a shovel ready project. Assistant Executive Director Mischel stated there are a couple of shovel ready projects that are ready, but we just need funding.

**9. CLOSED SESSION – PUBLIC COMMENTS ONLY:**

City Attorney Ditzhazy stated the Closed Session item listed as 10.1 was not needed.

**10. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**

10.1 The reason for holding a closed session is for the purpose of conferring with and/or receiving advice from the Authority's legal counsel and to receive direction from the Board of Directors regarding the possible initiation of litigation in one matter.

This closed session is being held pursuant to the authority of California Government Code Section 54956.9(c). Number of cases – One.

Possible litigation by the Authority regarding a possible civil action which the Authority believes is not yet known to potential defendants.

Closed session is recommended because the Board will assess the merits of this matter and consider the Authority's perspective. Based on existing facts and circumstances it is the opinion of the Authority Counsel that it would prejudice the position of the Authority to discuss these matters in public or to disclose further the circumstances in this potential case; such disclosure may harm other efforts to resolve the matter and, it is believed possible defendants are unaware of possible litigation.

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

Director Alvarado had nothing to report.

Chair Ledford: Suggested looking into grants and stated he felt the Board received great news today.

Director Velador: Want to extend a thank you to Executive Director LaMoreaux and Assistant Executive Director Mischel for their work.

Authority Counsel Ditzhazy asked the Board if we should have a July meeting and that the County Waterworks report will come back at the end of July. He suggested having an August meeting instead. The Board members concurred.

**12. ADJOURNMENT:**

Chair Ledford adjourned the meeting at 8:30 p.m. to August 19, 2015 at 7:00 p.m. at the Palmdale Water District Board Room located at 2029 East Avenue Q, Palmdale, California

PASSED, APPROVED, and ADOPTED this 19<sup>th</sup> day of August 2015.

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James C. Ledford, Jr.  
Chair

ATTEST:

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Rebecca J. Smith  
Secretary



## **MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 12, 2016:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, July 12, 2016, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 3:30 p.m.*

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

#### **Attendance:**

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

#### **Others Present:**

Dennis LaMoreaux, General Manager  
Matt Knudson, Assistant General Manager  
Mike Williams, Finance Manager  
Jennifer Emery, Human Resources Director  
Dawn Deans, Executive Assistant  
1 member of the public

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

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

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

There were no public comments.

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

#### **4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held June 6, 2016.**

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held June 6, 2016, as written.

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

Finance Manager Williams reviewed the investment funds report as of May, 2016, including the increase in cash of approximately \$1 million due to assessments and

redevelopment funds received and then provided an overview of the cash flow statement for May, including assessments, redevelopment funds, and Department of Water Resources' refunds received, followed by discussion of EPA grant funding received and the Butte payment.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for May, 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 May, 2016; stated that most departments are operating at or below the targeted expenditure percentage of 41%; and then reviewed department line items above the targeted expenditure percentage.

**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 followed by discussion of the location of the upcoming meter replacement project and the water main replacement process regarding water service outages.

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

Assistant General Manager Knudson stated that Engineering/Grant Manager Riley previously provided an overview of the financial model for the Palmdale Regional Groundwater Recharge and Recovery Project for grants and to prove to the state that the District has a plan and a process for paying back funds for low interest loans; that the financial model shows the water rate needed for the next three years to fund the



Palmdale Regional Groundwater Recharge and Recovery Project and Littlerock Sediment Removal Project and also shows the negative impact for not implementing enough of a rate increase; that the model indicates a water rate increase of just 4% or 4.25% is needed for the next three years, rather than the 5.5% approved in the Water Rate Plan, to meet the District's financial goals and will prevent large rate spikes in the 2020 - 2025 Water Rate Plan; and that, as stated in previous meetings, staff recommends a Resolution implementing a 4% or 4.25% water rate increase be approved for calendar years 2017, 2018, and 2019 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 then stated that a bullet list for proceeding with staff's recommendation, as requested by Committee Member Alvarado, will be prepared once staff completes a final analysis of the financial model.

Chair Henriquez then requested an item be placed on a future Committee agenda for "Discussion and possible action on hiring an outside consultant to determine additional cost reductions for the District" to ensure sufficient support for staff's recommendation followed by discussion of the previous organizational assessment, which involved cost efficiencies for both operational and personnel, the high cost of an additional consultant, the time frame for soliciting proposals, and spending \$200,000 with an end result that the District is operating at the bare minimum.

The District's audit was then discussed, and General Manager LaMoreaux stated that copies of the State Auditor's audit will be presented for discussion at the next Committee meeting and cautioned that the District could spend a large amount of money on an outside consultant, and the results would still not satisfy some members of the community.

Committee Member Alvarado then clarified that he appointed Chair Henriquez to Chair the Finance Committee for his ability to review numbers and financial matters.

**4.6) Consideration and Possible Action on Contract with NHA Advisors to Provide Annual Continuing Disclosure Consulting and Dissemination Agent Services. (\$1,500.00/year – Budgeted – Finance Manager Williams)**

Finance Manager Williams reviewed the requirement to prepare and disseminate continuing disclosure statements for the District's 2013A Water Revenue Bonds and the

proposal from NHA Advisors to perform this work, and after a further review by Mr. Mark Northcross, of NHA Advisors, the cost of the proposal, and of automatic renewal of the proposal through the life of the bonds, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve a contract with NHA Advisors for 2016 and for staff to present a proposal from NHA Advisors at the next Committee meeting for providing annual Continuing Disclosure Consulting and Dissemination Agent Services through the life of the bonds.

**4.7) Consideration and Possible Action to Refund Series 2013A and 2012 Bonds. (Finance Manager Williams)**

Mr. Mark Northcross, NHA Advisors, provided an overview of the cost savings to the District from refinancing the Series 2013A and 2012 Bonds, maintaining the District's credit rating, existing debt, refinancing goals and benefits, private placement vs. public offerings, debt service coverage, and the potential schedule and next steps for refinancing, and after a brief discussion of the benefits and cost savings to the District from refinancing, the cost of refinancing, rates, and the refinancing process, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with refinancing the Series 2013A and 2012 Bonds; that this process be presented to the full Board for information at the July 27, 2016 Regular Board Meeting; and that resolutions for the refinancing be presented to the full Board for consideration at the August 24, 2016 Board meeting.

**4.8) Consideration and Possible Action on Approving Three-Year Audit Proposal From The Pun Group. (\$18,000.00-2016/\$18,500.00-2017/\$19,000.00-2018 – Budgeted – Finance Manager Williams)**

Finance Manager Williams reviewed the proposal received from The Pun Group for performing the District's annual audit for 2016, 2017, and 2018, and after a brief discussion of the audit process and cost, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to concur with staff's recommendation to approve the three-year audit proposal from The Pun Group in the amount of \$18,000.00 for 2016, \$18,500.00 for 2017, and \$19,000.00 for 2018 and that this item be presented to the full Board for consideration at the July 13, 2016 Regular Board 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 1.22 as of May 31, 2016.

**5.2) District Operating Expenses – Five Year Review. (Finance Manager Williams)**

Finance Manager Williams stated that this item is a result of discussions regarding long range planning, financial planning, the direction of the District, and areas that can be cut or reduced from the District's budget; that departments have consistently kept costs down at 2007 and 2008 levels; and then presented information to substantiate these levels including actual departmental operational costs excluding personnel costs for 2012, 2013, and 2014, 10 year, 5 year, and 3 year averages by department for expenses, the process for using this information to set the annual budget, and how costs have been maintained in each department.

He then advised that the Committee review this information in detail when considering hiring a consultant to provide this same information and inquired if the Committee would like any other historical or factual information showing that costs are being controlled.

Chair Henriquez then requested presentations from today's meeting be posted on the District's website.

**5.3) Review of Age of District Pipelines and Anticipated Water Main and Meter Replacement Projects. (Committee Member Alvarado/Assistant General Manager Knudson)**

General Manager LaMoreaux reviewed the upcoming pipeline projects to be performed by District staff after which Assistant General Manager Knudson stated that a map, estimated cost, and timing for these projects will be presented at the next Committee meeting.



**5.4) Other.**

Finance Manager Williams informed the Committee that 2016 revenue projects were based on 16,500 acre feet of water; that revenues are approximately \$300,000 lower than anticipated; and that this reinforces that the Drought Surcharge Fee will need to stay in place.

He then informed the Board of the status of the District's new collection process for delinquent accounts and account shut-offs.

There were no other information items.

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

It was stated that "Discussion and possible action on hiring an outside consultant to determine additional cost reductions for the District" and "Consideration and possible action on contract with NHA Advisors to provide annual continuing disclosure consulting and dissemination agent services through the life of the bonds" will be placed on the next agenda.

There were no further requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held August 9, 2016 at 4:00 p.m.

**7) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:25 p.m.



Chair

# **PALMDALE WATER DISTRICT**

## **BOARD MEMORANDUM**

**DATE:** August 17, 2016

**August 24, 2016**

**TO:** BOARD OF DIRECTORS

**Board Meeting**

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

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

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The following is the August report to the Board of activities through July, 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.

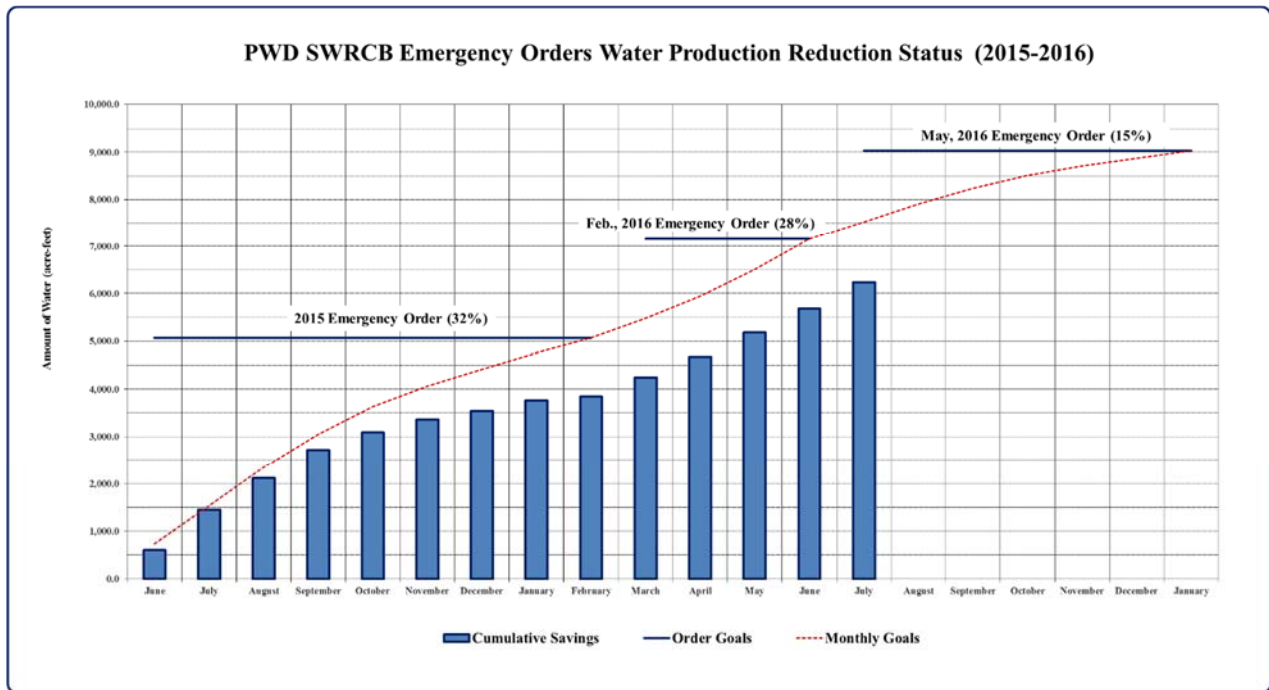


### ***Water Resource Reliability***

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

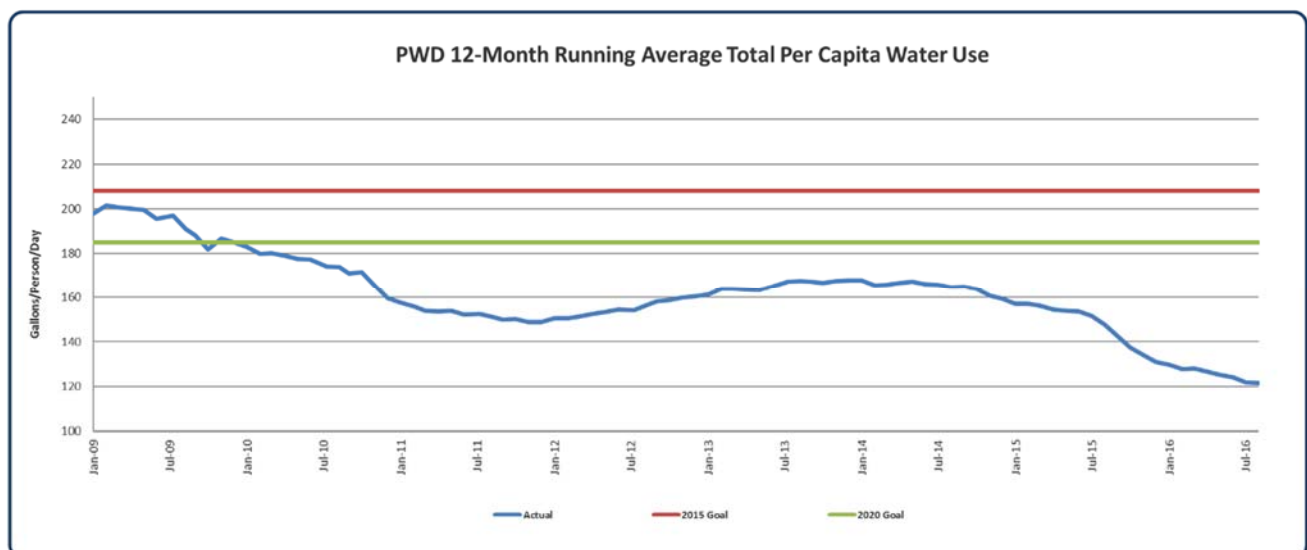
#### **2015 and 2016 SWRCB Emergency Drought Orders**

- The District customers' cumulative water saving from June, 2015 to the end of July, 2016 as compared to 2013 is 24.2%. The July, 2016 numbers alone show a 21.6%, or 546.3 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.



### Success of District Customers' Water Conservation Efforts

Our customers have responded extremely well to the District's water conservation programs and emergency drought regulations. The following information shows this in several ways. This is easiest to see in the following chart titled "PWD 12-Month Running Average Total Per Capita Water Use." The current Total-GPCD is 121. The District's customers have actually cut their water use by nearly 48% from the baseline number of 231 and met the 2020 Goal in early 2010.



The fact that District customers have excelled in water conservation is also shown in the following table titled “Historic R-GPCD Comparison.” It shows that the District’s customers have reached 133.6 and 143.7 R-GPCD in June and July, 2016, respectively. Throughout the Emergency Order period starting in June, 2015, they have reduced water use by 43% compared to 2007.

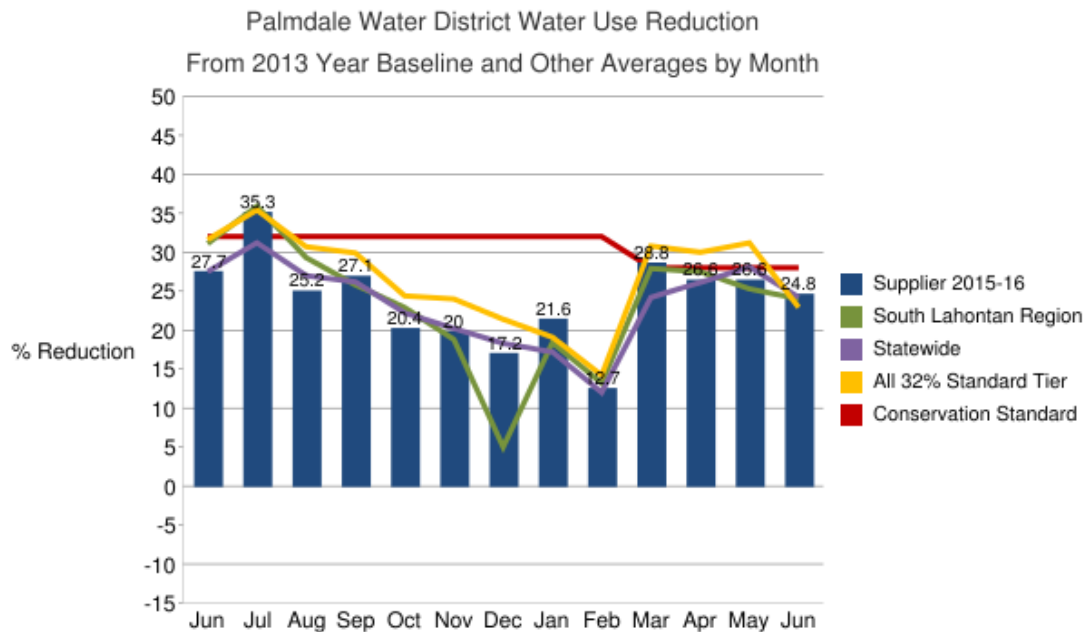
Historic R-GPCD Comparison*						
Emergency Order Period	2007		2013		2015/16	
	Gallons	% Change	Gallons	% Change	Gallons	% Change
June	239.8	-	170.9	(28.7)	126.3	(47.3)
July	267.6	-	184.7	(31.0)	121.8	(54.5)
August	261.1	-	180.0	(31.0)	133.0	(49.0)
September	198.9	-	164.5	(17.3)	116.2	(41.6)
October	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)	143.7	(46.3)
August	261.1	-	180.0	(31.0)		
September	198.9	-	164.5	(17.3)		
October	157.7	-	130.2	(17.4)		
November	123.1	-	97.3	(20.9)		
December	81.8	-	68.4	(16.4)		
January	77.3	-	85.0	9.9		
Averages**	184.2		135.6	(25.0)	101.7	(43.0)

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

\*\* Months to date only

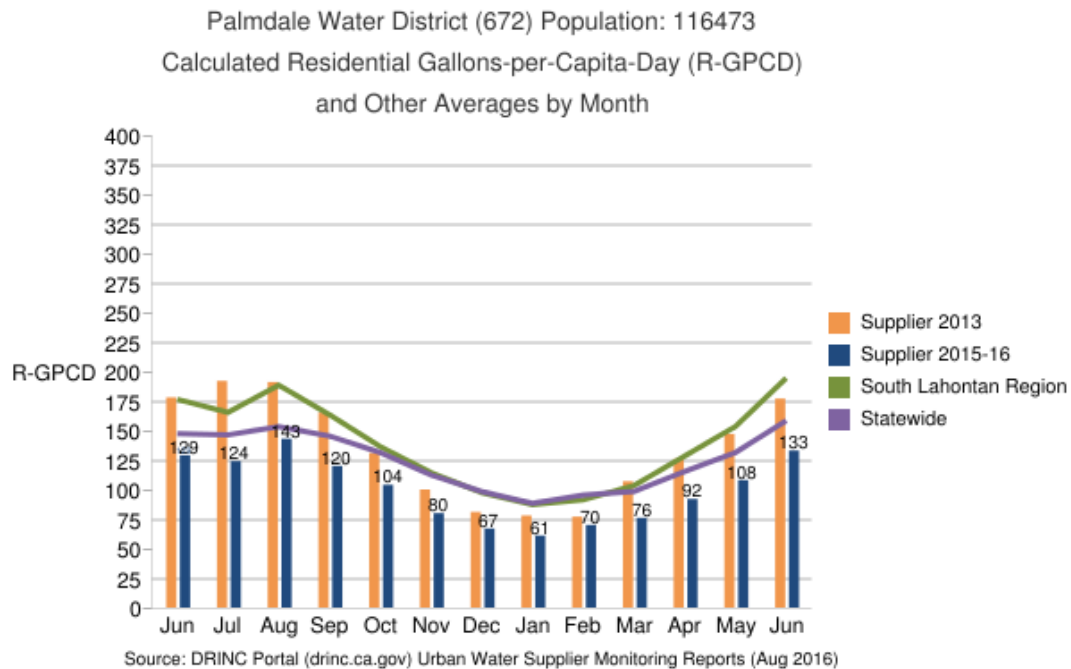
20% by 2020 12-Month Average Total GPCD Baseline = 231  
2015 12-Month Average Total GPCD Goal = 208  
2020 12-Month Average Total GPCD Goal = 185  
Current 12-Month Average Total GPCD = 121 or 48% Reduction

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



Cumulative Supplier water use reduction since June 2015: 25.4 %

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



Looking at the water use reduction and per capita water use together give the best picture of overall water use efficiency and effort to comply with State drought orders. The following table shows local and regional water agencies, the statewide average, and the District from June, 2015 to June, 2016. As can be seen, our customers have both a higher water use reduction and lower per capita use than statewide averages. Only Victorville Water District and the City of Hesperia can also make the same claim.

**Water Use Efficiency Comparison**

Agency	Cumulative Savings	R-GPCD
Quartz Hill WD	34.7%	258
LA County WW #40	28.3%	205
PWD	25.4%	133
State Average	24.8%	150
Victorville WD	24.6%	144
City of Hesperia	17.9%	86

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

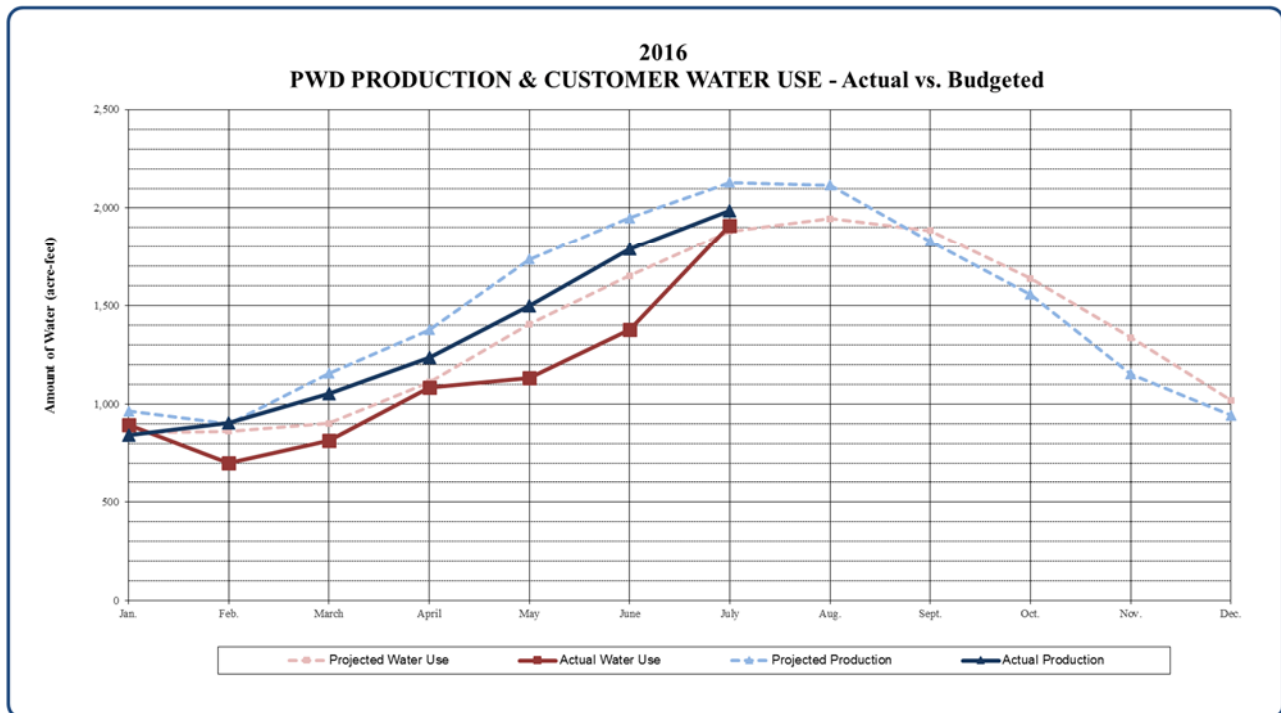
**2015 & 2016 Emergency Drought Order Period Water Usage Status of PWD Directors**

Division	Director	Tier 1 Comparison			% Change from 2013
		Average Tier 1 (Units/Mo.)	Emer. Order Average (Units/Mo.)	Aver. Within Tier 1?	
1	Alvarado	10	4.2	Yes	-53.0
2	Estes	22	3.4	Yes	-30.1
3	Henriquez	10	5.1	Yes	-16.3
4	Mac Laren	10	8.4	Yes	61.6
5	Dino	10	4.3	Yes	-81.0

**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 July actual amounts and monthly projections for both production and consumption, based on

the prior five years of actual monthly information, for the entire year. The increased consumption in July shows the customers' reaction to the new, relaxed water conservation measures.



#### 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. Aspen Environmental is now working with the Angeles National Forest on responses to comments received in the process. A final document will be presented to the Board and Forest Service late this fall.
- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13<sup>th</sup>, and the Notice of Determination was filed on July 14, 2016. Plans for the construction of monitoring wells and a pilot recharge basin are now being finalized.





### ***Organizational Excellence***

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

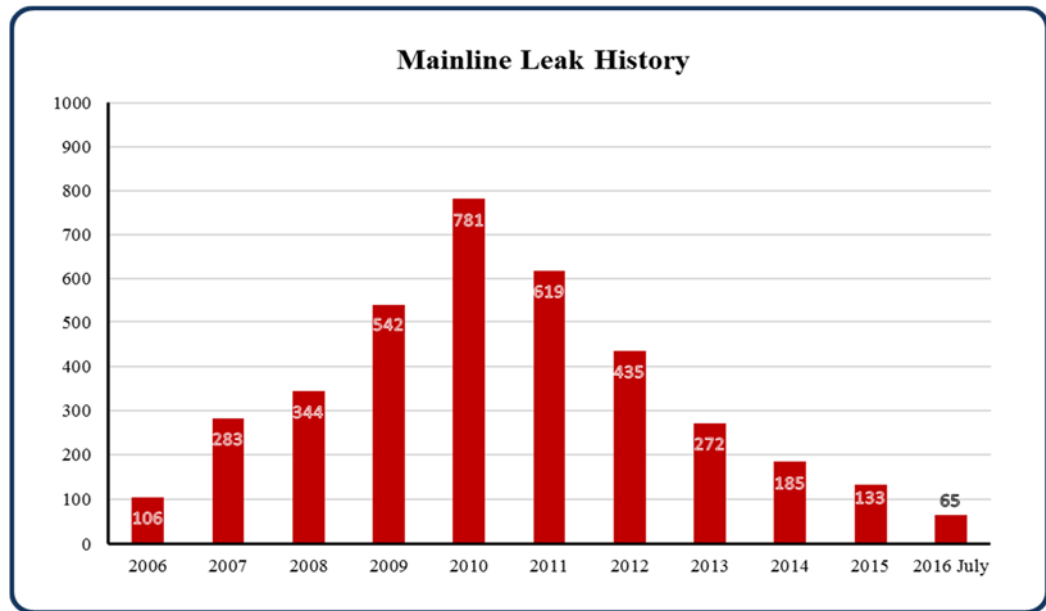
- The transition to electronic time keeping is nearing completion. Final adjustments are being made to ensure a good transition.
- Regular small group meetings with management were started and will continue on a regular basis to follow-up on the 2015 Cultural Survey.
- The 2016 Strategic Plan Update 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.



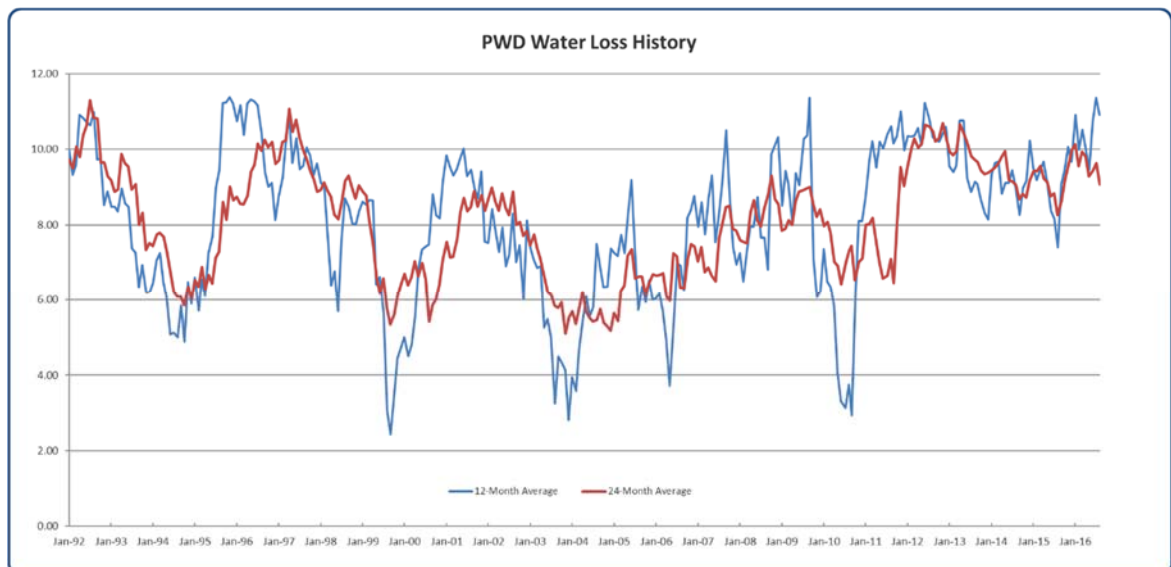
### ***Systems Efficiency***

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 continues well with a total of 65 mainline and 58 service line leaks through the end of July.



- The next replacement project will occur in El Camino Drive south of Lakeview Drive. It is scheduled to begin on August 22<sup>nd</sup>. The next project they will work on is Camares Drive.
- The area south of Avenue Q near 15<sup>th</sup> Street East is being prepared for advertising as a replacement project.
- The effect of both water main and water meter replacement is shown on the chart titled “PWD Water Loss History.” The percentage of unaccounted water or water loss is stabilized at 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 water rate setting and 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 Finance Committee discussed the potential refunding of the 2012 private placement and 2013A Revenue Bonds due to the current low interest rates. The financing team is now working to prepare all the necessary documents for the Board's consideration at the September 14<sup>th</sup> regular Board meeting.



### ***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 August, 2016 Board meeting include procedures for compensating the public board member and how agenda items are requested.
- Meetings were also held with an Ad-Hoc of 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 Arika, Dennis Atkinson, and John Calandri. The first meeting is scheduled for 2:00 pm August 17 at the Lancaster City Hall.



### ***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.
- The Customer Care Department is continuing to define its role and find ways to better help customers. An advanced training in customer care was held earlier this year. It is a portion of the requirements needed for staff to advance to Customer Care Representative II positions. To date, seven CCR have completed the requirements to advance to CCR II.

# STAFF CONFERENCE/SEMINAR REPORT FORM

NAME: Tara Peuse

DATE: August 3, 2016

POSITION: Customer Care Supervisor

## CONFERENCE SUMMARY:

- TITLE: 17th Annual Call Center Week Conference & Expo
- ORGANIZATION: Call Center Week
- LOCATION AND DATES: The Mirage Convention Center, Las Vegas, NV 6/27/16 - 6/30/16
- GENERAL SUBJECT MATTER: New and innovative customer service ideas and managing your call center.

## SESSION/CLASS ATTENDANCE:

CEU EARNED  
(HRS): N/A

1)	Zappos Tour Experience and Keynote		
2)	Workshop: From Call Center to Customer Engagement Center: Leading through Change		
3)	Workshop: Service Delivery Optimization: Tackling Your Biggest Challenges with Best Practice Processes		
4)	Workshop: Build your Customer Service Strategy for the Post Voice Era		
5)	Roundtable: Empower Agents for Success with Adaptive Contact Center Processes		

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

The highlight of the seminar was without a doubt the Zappos Tour. Zappos co-creator Tony Hsieh has a unique management style. When hiring a new employee he asks himself whether he would like to go out and grab a beer with this person. If not, he/she is not hired. And the hiring is still done with the same idea. His philosophy is that people that have good energy and the same work ethic work well together. They know that Zappos is mostly utilized via the Internet so when they do get that one-on-one interaction with their customers they go for the "WOW" customer service approach. They do not monitor call times. It's all about making the customer happy. And on a personal level, I do have a friend who received a note and package from a representative because they did not have what she was looking for for her son. I definitely plan on incorporating this "culture" into PWD's new and improved Customer Care Department. I also really got a lot from customer care workshops that promote giving agents authority to handle situations before escalating to the higher level and trusting those who engage with our customers to be more than agents but instead be Customer Care Professionals who are personalized, helpful, humane, listening, empathetic, proactive and makes connections efficiently. Thank you again for giving me the opportunity to attend CCW!!

## REVIEWED BY:

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

DEPARTMENT MANAGER: Tara Peuse DATE: 8/8/16