



# PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

November 8, 2023

## BOARD OF DIRECTORS

W. SCOTT KELLERMAN

Division 1

DON WILSON

Division 2

GLORIA DIZMANG

Division 3

KATHY MAC LAREN-GOMEZ

Division 4

VINCENT DINO

Division 5

## AGENDA FOR REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT TO BE HELD AT 2029 EAST AVENUE Q, PALMDALE

MONDAY, NOVEMBER 13, 2023

6:00 p.m.

**NOTES:** To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Danielle Henry at 661-947-4111 x1059 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Danielle Henry at 661-947-4111 x1059 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Danielle Henry al 661-947-4111 x1059 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

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 or on the District's website at <https://www.palmdalewater.org/governance/board-activity/2023-meeting-agendas-minutes/> (Government Code Section 54957.5). Please call Danielle Henry at 661-947-4111 x1059 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 conduct 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/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.

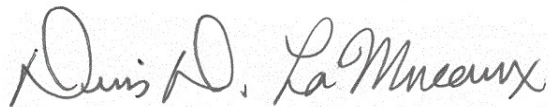
DENNIS D. LaMOREAUX  
General Manager

ALESHIRE & WYNDER LLP  
Attorneys



- 5) Presentations:
  - 5.1) Bi-Monthly Legislative Updates. (Public Affairs Director Shay/Representatives for Antelope Valley State Legislators)
- 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 Board Meeting held October 23, 2023.
  - 6.2) Payment of Bills for November 13, 2023.
  - 6.3) Approval of Absence of Director Dizmang from October 23, 2023 Regular Board Meeting Due to Health. (General Counsel Lee)
  - 6.4) Approval of Resolution No. 23-16 being a Resolution of the Board of Directors of the Palmdale Water District Approving the Antelope Valley State Water Contractors Association USGS Program Restricted Budget for Fiscal Year 2023/2024. (\$4,634.00 – Budgeted – Finance Manager/AVSWCA Controller Hoffmeyer)
  - 6.5) Approval of Resolution No. 23-17 being a Tax Sharing Resolution with Los Angeles County Sanitation District No. 20. (No Budget Impact – General Manager LaMoreaux)
  - 6.6) Approval of Resolution No. 23-18 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing Amendment No. 1 to the Joint Community Facilities Agreement By and Among the Palmdale Water District, California Municipal Finance Authority, and LCTH, L.P., an Affiliate of Pacific Communities Builder, Inc. (No Budget Impact – Assistant General Manager Ly)
- 7) Action Items - Action Calendar (The public shall have an opportunity to comment on any action item as each item is considered by the Board of Directors prior to action being taken.)
  - 7.1) Consideration and Possible Action on Authorizing Staff to Execute the Second-Year Amendment to Professional Services Agreement with Stantec Consulting Services, Inc. for Program Management Services for Pure Water AV. (\$2,038,690.00 – Not-to-Exceed – Budgeted – Work Order No. 20-417 – Engineering Manager Rogers)
  - 7.2) Consideration and Possible Action on Resolution No. 23-19 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing the District's Application to the California Governor's Office of Emergency Services for Funding from the Federal Emergency Management Agency Building Resilient Infrastructure and Communities for Federal Fiscal Year 2023 for the Design and Construction of the Pure Water Antelope Valley (AV) Full Scale Project. (Up to \$50,000,000 Potential Revenue – Engineering Manager Rogers)
  - 7.3) Consideration and Possible Action on Resolution No. 23-20 Being a Resolution of the Board of Directors of the Palmdale Water District Regarding Its Intention to Seek Reimbursement in Connection with the Issuance of Tax-Exempt Water Revenue Bonds by the Palmdale Water District Public Financing Authority. (Potential Revenue through Reimbursement of Loans – Finance Manager Hoffmeyer)

- 7.4) Consideration and Possible Action on Purchase of Sensus Smartpoints for 2024. (\$800,000.00 – Budgeted – Finance Manager Hoffmeyer)
- 7.5) Consideration and Possible Action on Establishing Guidelines for Changing Electrical Service Providers for District Electrical Service Accounts When Options are Available. (General Manager LaMoreaux)
- 7.6) Consideration and Possible Action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance Within Budget Amounts Previously Approved in the 2023 Budget:
  - a) None at This Time.
- 8) Information Items:
  - 8.1) Reports of Directors:
    - a) Standing Committees; Organization Appointments; Agency Liaisons:
      - 1) Antelope Valley East Kern Water Agency (AVEK) – October 24. (Director Dino, Board Liaison/Director Mac Laren-Gomez, Alt.)
      - 2) Outreach Committee Meeting – November 8. (Director Mac Laren-Gomez, Chair/Director Dizmang)
    - b) General Meetings Reports of Directors.
  - 8.2) Report of General Manager.
  - 8.3) Report of General Counsel.
- 9) Board Members' Requests for Future Agenda Items.
- 10) Adjournment.



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DENNIS D. LaMOREAUX,  
General Manager

DDL/dh



# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *APPROVAL OF ABSENCE OF DIRECTOR DIZMANG FROM OCTOBER 23, 2023  
REGULAR BOARD MEETING DUE TO HEALTH. (GENERAL COUNSEL LEE)*

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Director Dizmang was absent from the October 23, 2023 Regular Board Meeting. Agenda Item No. 6.3 has been placed on the Consent Calendar to excuse this absence pursuant to Section 4.07.2 of the District's Rules and Regulations which states, "The Board shall excuse absences by approving such absences pursuant to the Consent Calendar at the next regular Board meeting."





# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Mr. Dennis J. Hoffmeyer, Finance Manager/CFO  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***APPROVAL OF RESOLUTION NO. 23-16 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION USGS PROGRAM RESTRICTED BUDGET FOR FISCAL YEAR 2023/2024. (\$4,634.00 – BUDGETED – FINANCE MANAGER/AVSWCA CONTROLLER HOFFMEYER)***

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## **Recommendation:**

Staff recommends the Board approve Resolution No. 23-16 Approving the Antelope Valley State Water Contractors Association (AVSWCA) USGS Program Restricted Budget for Fiscal Year 2023/2024.

## **Alternative Options:**

There are no alternative options.

## **Impact of Taking No Action:**

The AVSWCA USGS Restricted Budget will not be approved.

## **Background:**

The Commissioners for the AVSWCA approved their USGS Program Restricted Budget for fiscal year 2023/2024 at their October 12, 2023 meeting. Per the Joint Powers Agreement that created the AVSWCA, the governing body of each member agency must also approve the Budget. The Budget is then deemed effective upon receipt by the AVSWCA of certified copies of the approving resolution from each member agency.

The District approved the AVSWCA's General Operating Budget on June 26, 2023, with Resolution No. 23-6. This Restricted Budget includes funds for the USGS Groundwater Monitoring and California Statewide Groundwater Elevation Monitoring (CASGEM) Program.

The Antelope Valley Watermaster has agreed to become the administrator of the USGS/CASGEM Program and requested assurance from the AVSWCA and the Antelope Valley Integrated Regional Water Management Plan Group (AVIRWM) that both Agencies will continue to support the Program at their current cost share levels for an additional three to five years per the attached letter. The AVSWCA approved continued cost-sharing support of this Program at their

February 11, 2021 meeting, and an amended AVIRWM MOU was approved on April 27, 2022 continuing the cost-sharing support of the USGS Program through 2023. The current cost shares are as follows: AVSWCA - 50%, AVIRWM - 25%, and the Antelope Valley Watermaster - 25%.

The AVSWCA's cost share of this Program for 2023/2024 is \$35,921.00, and staff anticipates an annual cost of \$35,000.00 - \$40,000.00 for years 2024-2025 based on the same cost share level.

Based on the current policy to use State Water Project Table "A" percentages to determine the split among the member agencies, the \$35,921.00 will be split and billed as follows:

AVEK:	\$ 30,784.00 (85.7%)
PWD:	4,634.00 (12.9%)
LCID:	<u>503.00 (1.4%)</u>
TOTAL:	\$ 35,921.00

No additional funds are requested for the Big Rock Creek Joint Groundwater Recharge Program as funds remain in this account. AVSWCA staff will review the future needs of this program and/or alternate project. When that is done, this may require additional funding and will be returned for acceptance by the member agencies at that time.

**Strategic Plan Initiative/Mission Statement:**

The District's involvement in the AVSWCA is part of Strategic Initiative No. 5 – Regional Leadership.

This item directly relates to the District's Mission Statement.

**Supporting Documents:**

- Resolution No. 23-16 Approving AVSWCA USGS Program Restricted Budget for Fiscal Year 2023/2024
- AVSWCA Proposed USGS Program Restricted Budget for Fiscal Year 2023/2024
- February 3, 2021 letter from Antelope Valley Watermaster requesting funding commitment

**RESOLUTION NO. 23-16**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE PALMDALE WATER DISTRICT  
APPROVING THE ANTELOPE VALLEY  
STATE WATER CONTRACTORS ASSOCIATION  
USGS PROGRAM RESTRICTED BUDGET FOR FISCAL YEAR 2023/2024**

WHEREAS, the Palmdale Water District, along with the Antelope Valley-East Kern Water Agency and the Littlerock Creek Irrigation District, is a member agency of the Antelope Valley State Water Contractors Association formed by a Joint Powers Agreement dated May 26, 1999; and

WHEREAS, said Joint Powers Agreement provides for the formulation and adoption of a budget for the Antelope Valley State Water Contractors Association and approval of said budget by its members; and

WHEREAS, the Antelope Valley State Water Contractors Association unanimously adopted a United States Geological Survey (USGS) Program restricted budget for fiscal year 2023/2024 at their regular meeting held October 12, 2023, which includes an allocation among the member agencies and funds for the USGS Groundwater Monitoring and California Statewide Groundwater Elevation Monitoring Program.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District hereby approves the 2023/2024 USGS Program restricted budget, and allocation of budgeted funds adopted by the Antelope Valley State Water Contractors Association.

**I certify that this is a true copy of Resolution No. 23-16 as passed by the Board of Directors of the Palmdale Water District at its meeting held November 13, 2023 in Palmdale, California.**

Date: November 13, 2023

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Don Wilson, President,  
Board of Directors

ATTEST:

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Vincent Dino, Secretary, Board of Directors

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
Aleshire & Wynder, LLP, General Counsel



# ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION

## Proposed Budget - FY 2023/24 Restricted Funds - USGS/CASGEM Program

	FY 2019/20 ACTUAL	FY 2020/21 ACTUAL	FY 2021/22 ACTUAL	FY 2022/23 ACTUAL	FY 2022/23 PROPOSED BUDGET
<b>Revenues:</b>					
Member Contributions - USGS	\$ 32,450.00	\$ 34,171.00	\$ -	\$ 71,944.70	\$ 35,920.50
Contributions - Others (AVIRWMG)	32,750.00	-	17,085.50	35,972.50	17,960.25
Member Contributions - CASGEM	-	-	-	-	-
<b>Total Revenue</b>	<u>\$ 65,200.00</u>	<u>\$ 34,171.00</u>	<u>\$ 17,085.50</u>	<u>\$ 107,917.20</u>	<u>\$ 53,880.75</u>
<b>Expenditures:</b>					
Contract Services - USGS	\$ -	\$ -	\$ -	\$ -	\$ -
Contract Services - USGS (Prior Year)	21,633.34	21,833.34	51,256.50	54,000.00	-
Contract Services - USGS (New Year)	43,666.66	-	-	53,917.50	53,880.75
Contract Services - CASGEM	-	-	-	-	-
<b>Total Expenditures</b>	<u>\$ 65,300.00</u>	<u>\$ 21,833.34</u>	<u>\$ 51,256.50</u>	<u>\$ 107,917.50</u>	<u>\$ 53,880.75</u>
<b>Net Income (Loss)</b>	<u>\$ (100.00)</u>	<u>\$ 12,337.66</u>	<u>\$ (34,171.00)</u>	<u>\$ (0.30)</u>	<u>\$ -</u>
	AVEK Contribution =				\$ 30,784.00
	PWD Contribution =				4,634.00
	LCID Contribution =				503.00
					<u>\$ 35,921.00</u>





BOARD OF DIRECTORS

**Robert Parris – Chair**  
AVEK Representative  
**Kathy MacLaren – Vice-Chair**  
Public Water Suppliers Representative  
**Adam Arika**  
LACWW Representative  
**John Calandri**  
Landowner Representative  
**Derek Yurosek**  
Public Water Suppliers Representative

February 3, 2021

Antelope Valley State Water Contractors Association  
Attn: Mr. Peter Thompson, General Manager  
2029 East Avenue Q  
Palmdale, CA 93550

**RE: REQUEST FOR FUNDING COMMITMENT - UNITED STATES GEOLOGICAL SURVEY  
(USGS) GROUNDWATER MONITORING PROGRAM FOR THE ANTELOPE VALLEY**

Dear Mr. Thompson:

The Antelope Valley Watermaster (Watermaster) approved the 2020/2021 Joint Funding Agreement with the USGS to continue monitoring groundwater levels and water quality within the Antelope Valley during the period of November 1, 2020 to September 30, 2021 (Program). The approval of said agreement by the Watermaster officially transfers the administration of the Program from the Antelope Valley State Water Contractors Association (AVSWCA) to the Watermaster.

The total cost of the total Program for this period is \$98,872. Based on the Program agreement, the Antelope Valley Watermaster will be responsible for \$68,342 and the USGS will provide contributions in the amount of \$30,530. As agreed upon for this Program period (November 1, 2020 to September 30, 2021), the Watermaster's commitment will be shared among the AVSWCA covering 50%, the Antelope Valley Integrated Regional Water Management group (AVIRWM) covering 25%, and the Watermaster covering the remaining 25%.

The Watermaster is financially committed to the current funding arrangement and is requesting assurance from the Association and the Antelope Valley Integrated Regional Water Management Plan Group (AVIRWM) that regional agencies will continue to support the Program at their current cost share levels for an additional three to five years. This requested assurance and commitment will give the Watermaster the ability to properly plan both their budget and workload for the foreseeable future.

The Watermaster appreciates the continued support of the AVSWCA and AVIRWM Group with this important and critical Antelope Valley groundwater basin Program. Feel free to contact me at (661) 349-7310.

Very truly your,

Matthew Knudson,  
Watermaster Administrator



# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Dennis D. LaMoreaux, General Manager  
**RE:** *APPROVAL OF RESOLUTION NO. 23-17 BEING A TAX SHARING RESOLUTION WITH LOS ANGELES COUNTY SANITATION DISTRICT NO. 20. (NO BUDGET IMPACT – GENERAL MANAGER LaMOREAUX)*

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## **Recommendation:**

Staff recommends approval of Resolution No. 23-17 being a Tax Sharing Resolution with Los Angeles County Sanitations District No. 20.

## **Alternative Options:**

The alternative option is to not approve Resolution No. 23-17.

## **Impact of Taking No Action:**

The 1% tax sharing formula will change to add Los Angeles County Sanitation District No. 20 without the Palmdale Water District's consent if no action is taken on this item.

## **Background:**

Joint Tax Sharing Resolutions are presented for approval when an applicant requests annexation of their property into the Los Angeles County Sanitation District No. 20. The annexation process requires that a resolution for property tax revenue exchange be adopted by all affected local agencies before the annexation can be approved.

Joint Tax Sharing Resolutions have previously been approved by the Palmdale Water District and will continue to be presented to the Board for consideration as they are received.

## **Strategic Plan Initiative/Mission Statement:**

This work is part of Strategic Initiative No. 3 – Systems Efficiency.

This item directly relates to the District's Mission Statement.

## **Budget:**

Approval of Resolution No. 23-17 will have no impact on the budget.



**Supporting Documents:**

- October 23, 2023 letter from Los Angeles County Sanitation District regarding Tax Sharing Resolution, worksheet, and local map
- Resolution No. 23-17



**LOS ANGELES COUNTY  
SANITATION DISTRICTS**  
*Converting Waste Into Resources*

**Robert C. Ferrante**

Chief Engineer and General Manager

1955 Workman Mill Road, Whittier, CA 90601-1400

Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998

(562) 699-7411 • www.lacsd.org

October 23, 2023

General Annexation File



Mr. Dennis LaMoreaux, General Manager  
Palmdale Water District - Zone E  
2029 East Avenue Q  
Palmdale, CA 93550

Dear Mr. LaMoreaux:

**Tax Sharing Resolutions**

Thank you for signing and returning the last joint resolutions that were submitted to your office for tax sharing purposes.

Enclosed, in triplicate, is a Joint Tax Sharing Resolution (resolution) involving your agency and others. The applicant has requested, in writing, annexation of his property into the County Sanitation District No. 20 (District) in order to receive off-site disposal of sewage. Please see the table below for the annexation and its associated project. The annexation process requires that a resolution for property tax revenue exchange be adopted by all the affected local agencies before an annexation may be approved. For any jurisdictional change which will result in a special district providing new service not previously provided to an area, the law requires the governing bodies of all local agencies that receive an apportionment of the property tax from the area to determine by resolution the amount of the annual tax increment to be transferred to the special district (Revenue and Taxation Code Section 99.01). Please note that by sharing the property tax increment with the District resulting from this annexation, your agency will not lose any existing ad valorem tax revenue it currently receives from the affected territory. Your agency would only be giving up a portion of the revenues it would receive on increased assessed valuation.

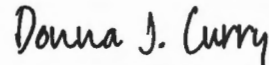
<u>Annexation No.</u>	<u>Type of Project</u>
20-104	99 proposed single-family homes

Also, attached for the annexation is a copy of the applicable worksheet and map showing the location of the annexation. The worksheet lists the annual tax increment to be exchanged between your agency, other affected taxing entities, and the District. The tax sharing ratios listed in the worksheet were calculated by the County Auditor Controller by specific Tax Rate Area (TRA). For example, if the annexing territory were to lie within two separate TRAs, there would be a worksheet for each TRA. The Los Angeles County Chief Executive Office (CEO) is requiring the District to implement the worksheet for all District annexations in order to increase efficiency for the calculation of property tax sharing ratios.

The resolution is being distributed to all parties for signature in counterpart. Therefore, you will only be receiving a signature page for your agency. Enclosed are three sets of the resolution. One set of the resolution is for your files and the other two sets of the resolution need to be returned to the District. Please execute the two sets of the resolution and return them to the undersigned within 60 days as required by the Government Code. In addition, the County CEO's legal counsel is also requesting that the signature pages be properly executed from all affected agencies. Therefore, please have the Attest line signed by the appropriate person. Upon completion of the annexation process, your office will receive a fully executed copy of the tax sharing resolution for your files.

Your continued cooperation in this matter is very much appreciated. If you have any questions, please do not hesitate to call me at (562) 908-4288, extension 2708.

Very truly yours,  
Donna J. Curry



Customer Service Specialist  
Facilities Planning Department

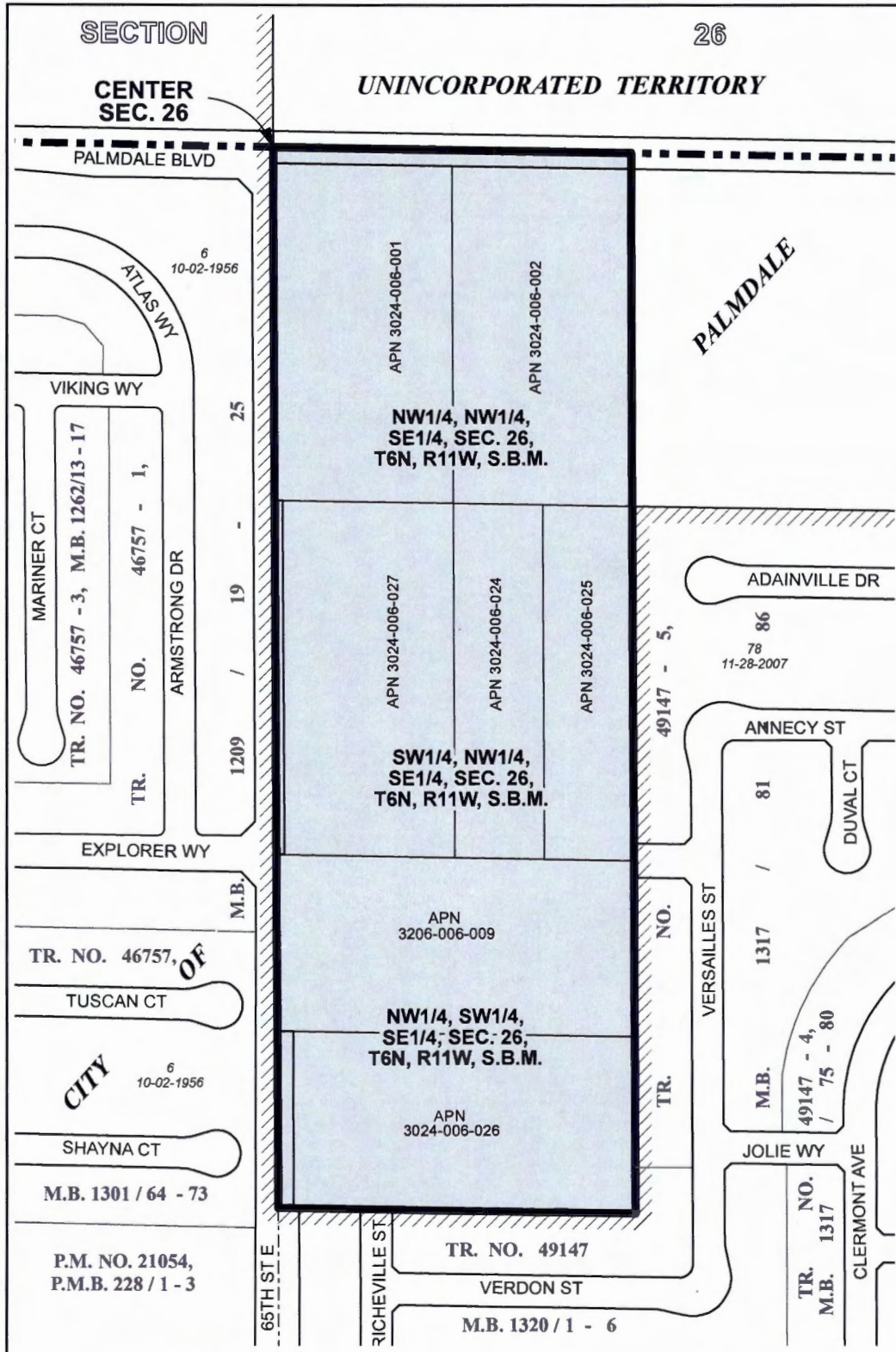
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Enclosures: 20-104

ANNEXATION TO: CO.SANITATION DIST.NO 20 DEBT S.  
 ACCOUNT NUMBER: 066.75  
 TRA: 07054  
 EFFECTIVE DATE: 07/01/2023  
 ANNEXATION NUMBER: 104 PROJECT NAME: A-20-104  
 DISTRICT SHARE: 0.008732993

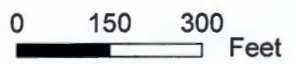
ACCOUNT #	TAXING AGENCY	CURRENT TAX SHARE	PERCENT	PROPOSED DIST SHARE	ALLOCATED SHARE	ADJUSTMENTS	NET SHARE
001.05	LOS ANGELES COUNTY GENERAL	0.244931706	24.4939 %	0.008732993	0.002138998	-0.002203383	0.242728323
001.20	L.A. COUNTY ACCUM CAP OUTLAY	0.000118694	0.0118 %	0.008732993	0.000001036	0.000000000	0.000118694
007.30	CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.178763071	17.8763 %	0.008732993	0.001561136	-0.001561136	0.177201935
007.31	L A C FIRE-FFW	0.007254010	0.7254 %	0.008732993	0.000063349	0.000000000	0.007254010
053.30	ANTELOPE VY CEMETERY DISTRICT	0.000383322	0.0383 %	0.008732993	0.000003347	-0.000003347	0.000379975
061.05	ANTELOPE VLY MOSQ & VECTOR CONTR	0.001796019	0.1796 %	0.008732993	0.000015684	-0.000015684	0.001780335
068.05	ANTELOPE VY RESOURCE CONSER DIST	0.000984914	0.0984 %	0.008732993	0.000008601	-0.000008601	0.000976313
225.01	CITY-PALMDALE TD #1	0.072963689	7.2963 %	0.008732993	0.000637191	-0.000637191	0.072326498
308.65	PALMDALE WATER DIST ZONE E	0.042910026	4.2910 %	0.008732993	0.000374732	-0.000374732	0.042535294
400.00	EDUCATIONAL REV AUGMENTATION FD	0.073572891	7.3572 %	0.008732993	0.000642511	EXEMPT	0.073572891
400.01	EDUCATIONAL AUG FD IMPOUND	0.128985998	12.8985 %	0.008732993	0.001126433	EXEMPT	0.128985998
400.15	COUNTY SCHOOL SERVICES	0.001475546	0.1475 %	0.008732993	0.000012885	EXEMPT	0.001475546
400.21	CHILDREN'S INSTIL TUITION FUND	0.002927372	0.2927 %	0.008732993	0.000025564	EXEMPT	0.002927372
593.01	PALMDALE SCHOOL DISTRICT	0.052465427	5.2465 %	0.008732993	0.000458180	EXEMPT	0.052465427
593.06	CO.SCH.SERV.FD.- PALMDALE	0.009313566	0.9313 %	0.008732993	0.000081335	EXEMPT	0.009313566
593.07	DEV CTR HDCPD MINOR PALMDALE	0.000883228	0.0883 %	0.008732993	0.000007713	EXEMPT	0.000883228
717.02	ANTELOPE VALLEY UNION HIGH SCH.	0.101827048	10.1827 %	0.008732993	0.000889254	EXEMPT	0.101827048
717.06	CO.SCH.SERV.FD.- ANTELOPE VALLEY	0.000375211	0.0375 %	0.008732993	0.000003276	EXEMPT	0.000375211
717.08	ANTELOPE VY.UN.HI.-K.P.S.-ELEM	0.049794229	4.9794 %	0.008732993	0.000434852	EXEMPT	0.049794229





**"FOR TAX ASSESSMENT PURPOSES ONLY"**

**PROPOSED**



- Annexation No. 104 shown thus
- Boundary of Sanitation District No. 20 prior to Annexation No. 104 shown thus
- City Boundary
- Prior Annexations shown thus
- Area of Annexation 30.914 Acres

COUNTY SANITATION DISTRICT NO. 20  
 OF LOS ANGELES COUNTY, CA  
 OFFICE OF CHIEF ENGINEER

ROBERT C. FERRANTE  
 CHIEF ENGINEER & GENERAL MANAGER

**ANNEXATION NO. 104**  
 TO  
 COUNTY SANITATION DISTRICT NO. 20

Recorded:

LA County Assessor Landbase 2023,  
 CAMS Centerline, DPW City boundary  
 LA County Sanitation Districts:  
 AnnexationLayer and District Layer

Resolution No. 23-17

JOINT RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES  
ACTING IN BEHALF OF

Los Angeles County General Fund

Los Angeles County Consolidated Fire Protection District

THE BOARD OF DIRECTORS OF COUNTY SANITATION DISTRICT NO. 20 OF LOS ANGELES  
COUNTY, AND THE GOVERNING BODIES OF

Antelope Valley Cemetery District

Antelope Valley Mosquito & Vector Control District

Antelope Valley Resource Conservation District

City of Palmdale

Palmdale Water District - Zone E

APPROVING AND ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES  
RESULTING FROM ANNEXATION TO COUNTY SANITATION DISTRICT NO. 20.

**"ANNEXATION NO. 104"**

**WHEREAS**, pursuant to Section 99 and 99.01 of the Revenue and Taxation Code, prior to the effective date of any jurisdictional change which will result in a special district providing a new service, the governing bodies of all local agencies that receive an apportionment of the property tax from the area must determine the amount of property tax revenues from the annual tax increment to be exchanged between the affected agencies and approve and accept the negotiated exchange of property tax revenues by resolution; and

**WHEREAS**, the governing bodies of the agencies signatory hereto have made determinations of the amount of property tax revenues from the annual tax increments to be exchanged as a result of the annexation to County Sanitation District No. 20 entitled *Annexation No. 104*;

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The negotiated exchange of property tax revenues resulting from the annexation of territory to County Sanitation District No. 20 in the annexation entitled *Annexation No. 104* is approved and accepted.
2. For each fiscal year commencing on and after July 1, 2023, or after the effective date of this jurisdictional change, whichever is later, the County Auditor shall transfer to County Sanitation District No. 20 a total of 0.4804074 percent of the annual tax increment attributable to the land area encompassed within *Annexation No. 104* as shown on the attached Worksheet.
3. No additional transfer of property tax revenues shall be made from any other tax agencies to County Sanitation District No. 20 as a result of annexation entitled *Annexation No. 104*.

4. No transfer of property tax increments from properties within a community redevelopment project, which are legally committed to a Community Redevelopment Agency, shall be made during the period that such tax increment is legally committed for repayment of the redevelopment project costs.

5. If at any time after the effective date of this resolution, the calculations used herein to determine initial property tax transfers or the data used to perform those calculations are found to be incorrect thus producing an improper or inaccurate property tax transfer, the property tax transfer shall be recalculated and the corrected transfer shall be implemented for the next fiscal year.

The foregoing resolution was adopted by the Board of Supervisors of the County of Los Angeles, the Board of Directors of County Sanitation District No. 20 of Los Angeles County, and the governing bodies of Antelope Valley Cemetery District, Antelope Valley Mosquito & Vector Control District, Antelope Valley Resource Conservation District, City of Palmdale, and Palmdale Water District - Zone E, signatory hereto.

PALMDALE WATER DISTRICT - ZONE E

\_\_\_\_\_  
SIGNATURE

Don Wilson, President, Board of Dir.  
PRINT NAME AND TITLE

November 13, 2023

Date

ATTEST:

\_\_\_\_\_  
Secretary

(SIGNED IN COUNTERPART)



# BOARD MEMORANDUM

**DATE:** November 13, 2023

**TO:** **BOARD OF DIRECTORS**

**FROM:** Mr. Adam Ly, Assistant General Manager

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

**RE:** ***APPROVAL OF RESOLUTION NO. 23-18 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING AMENDMENT NO. 1 TO THE JOINT COMMUNITY FACILITIES AGREEMENT BY AND AMONG THE PALMDALE WATER DISTRICT, CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AND LCTH, L.P., AN AFFILIATE OF PACIFIC COMMUNITIES BUILDER, INC. (NO BUDGET IMPACT – ASSISTANT GENERAL MANAGER LY)***

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## **Recommendation:**

Staff recommends the Board approve Resolution 23-18 being a Resolution of the Board of Directors of the Palmdale Water District authorizing Amendment No. 1 to the Joint Community Facilities Agreement (JCFA) by and among the Palmdale Water District, California Municipal Finance Authority, and LCTH, L.P., an affiliate of Pacific Communities Builder, Inc.

## **Alternative Options:**

The Board may reject this Resolution and leave the current JCFA as it stands.

## **Impact of Taking No Action:**

Pacific Communities Builder, Inc. will not be able to use California State bonds to reimburse for PWD's capital improvement fee and supply fee for the Pacific Poppy project.

## **Background:**

In July 2022, the Board approved an agreement for Pacific Communities Builder, Inc. to use the Mello-Roos Community Facilities Act of 1982 to help fund certain types of fees using State bond. The repayment of the State bond will be on the owner's property tax bill. This will shift the cost from the developer to the potential homeowner.

The original agreement covers Tract 54209 on 35<sup>th</sup> Street East and Avenue R. The current annexation is for Tract 69651 located on Palmdale Blvd. near 60<sup>th</sup> Street East. Instead of drafting a new JCFA with same requirements, the developer elects to annex this project into the current JCFA to save time and resources. The benefit of the JCFA applies to both developments.



**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 5 – Regional Leadership and Strategic Initiative No. 6 – Customer Care, Advocacy and Outreach.

This item directly relates to the District’s Mission Statement.

**Budget:**

There is no budget impact.

**Supporting Documents:**

- Resolution 23-18 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing Amendment No. 1 to the Joint Community Facilities Agreement By and Among the Palmdale Water District, California Municipal Finance Authority, and LCTH, L.P., an Affiliate of Pacific Communities Builder, Inc.
- Amendment No. 1 to JCFA
- PWD JCFA Request Letter

**RESOLUTION NO. 23-18**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING AMENDMENT NO. 1 TO THE JOINT COMMUNITY FACILITIES AGREEMENT BY AND AMONG THE PALMDALE WATER DISTRICT, CALIFORNIA MUNICIPAL FINANCE AUTHORITY, AND LCTH, L.P., AN AFFILIATE OF PACIFIC COMMUNITIES BUILDER, INC.**

**WHEREAS**, in early 2022 LCTH, L.P., an affiliate of Pacific Communities Builder, Inc. (the “Developer”), submitted an application requesting that the Board of the California Municipal Finance Authority (the “Authority”) institute proceedings under the Mello-Roos Community Facilities Act of 1982 (the “Act”) to establish a community facilities district for the provision of certain water and wastewater facilities and services to residential property located within Tract No. 54209, which at the time was owned by Developer; and

**WHEREAS**, pursuant to the Act, in July 2022 the Board of the Authority instituted proceedings to establish California Municipal Finance Authority Community Facilities District No. 2022-8 (City of Palmdale – Wildflower/Creekside Encore) (“CFD No. 2022-8”), to authorize the levy of special taxes (the “Special Taxes”) upon the land within CFD No. 2022-8 and the issuance of bonds (the “Bonds”) secured by the Special Taxes, the proceeds of which are to be used to finance certain public facilities; and

**WHEREAS**, the facilities financed by CFD No. 2022-8 include certain facilities (the “Water District Facilities”) to be owned and operated by the Palmdale Water District (“Water District”) and certain facilities to be owned and operated by the City of Palmdale and certain other public agencies; and

**WHEREAS**, pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act, the Developer, Authority, and Water District entered into a Joint Community Facilities Agreement dated July 25, 2022 (“JCFA”) that provided for the financing of the Water District Facilities from the proceeds of the Bonds; and

**WHEREAS**, the Developer and its affiliates are developing residential property within Tract No. 69651 (the “Property”) and are requesting to annex said Property into CFD No. 2022-8; and

**WHEREAS**, the annexation of the Property into CFD No. 2022-8 requires an amendment to the JCFA; and

**WHEREAS**, the Developer, the Authority, and the Water District desire the annexation of the Property into CFD No. 2022-8 and an amendment to the JCFA to include Property, as provided in Amendment No. 1 to the JCFA.

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

**Section 1.** Pursuant to Section 53316.2 of the Act, the Board of Directors of the Water District (the “Board of Directors”) hereby declares and determines that Amendment No. 1 to the JCFA to annex the Property, Tract No. 69651, into CFD No. 2022-8 will be beneficial to the residents of the territory served by the Water District.

**Section 2.** The form of Amendment No. 1 to the JCFA, on file with the Secretary of the Board of Directors and attached hereto as Exhibit “A”, is hereby approved. The General Manager is hereby authorized and directed, for and in the name of the Water District, to execute and deliver Amendment No. 1 to the JCFA in the form presented to this meeting, with such changes, insertions and omissions as the General Manager may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Amendment No. 1 to the JCFA by the General Manager.

**Section 3.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** by the Board of Directors of Palmdale Water District this 13<sup>th</sup> day of November, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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President, Board of Directors

ATTEST:

---

Secretary, Board of Directors

APPROVED AS TO FORM:

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Aleshire & Wynder, LLP, General Counsel

**EXHIBIT “A”**

Amendment No. 1 to JCFA

[on following pages]



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**AMENDMENT NO. 1**

**to the**

**JOINT COMMUNITY FACILITIES AGREEMENT**

**by and among**

**CALIFORNIA MUNICIPAL FINANCE AUTHORITY**

**and**

**PALMDALE WATER DISTRICT**

**and**

**PACIFIC COMMUNITIES BUILDER, INC.**

**Dated as of November \_\_, 2023**

**California Municipal Finance Authority  
Community Facilities District No. 2022-8  
(City of Palmdale – Wildflower/Creekside Encore)**

## **AMENDMENT NO. 1 TO THE JOINT COMMUNITY FACILITIES AGREEMENT**

**THIS AMENDMENT NO. 1 TO THE JOINT COMMUNITY FACILITIES AGREEMENT** (this “Amendment”), dated as of November \_\_, 2023, is by and among the CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (“Authority”), the PALMDALE WATER DISTRICT, an irrigation district organized and existing under the laws of the State of California (“District”), and PACIFIC COMMUNITIES BUILDER, INC., a corporation organized and existing under the laws of the State of California (“Developer”).

### **WITNESSETH:**

**WHEREAS**, in early 2022 LCTH, L.P., an affiliate of Pacific Communities Builder, Inc. (the “Developer”), submitted an application requesting that the Board of the California Municipal Finance Authority (the “Authority”) institute proceedings under the Mello-Roos Community Facilities Act of 1982 (the “Act”) to establish a community facilities district for the provision of certain water and wastewater facilities and services to residential property located within Tract No. 54209, which at the time was owned by Developer; and

**WHEREAS**, pursuant to the Act, in July 2022 the Board of the Authority instituted proceedings to establish California Municipal Finance Authority Community Facilities District No. 2022-8 (City of Palmdale – Wildflower/Creekside Encore) (“CFD No. 2022-8”), to authorize the levy of special taxes (the “Special Taxes”) upon the land within CFD No. 2022-8 and the issuance of bonds (the “Bonds”) secured by the Special Taxes, the proceeds of which are to be used to finance certain public facilities; and

**WHEREAS**, the facilities financed by CFD No. 2022-8 include certain facilities (the “Water District Facilities”) to be owned and operated by the Palmdale Water District (“Water District”) and certain facilities to be owned and operated by the City of Palmdale and certain other public agencies; and

**WHEREAS**, pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act, the Developer, Authority, and Water District entered into a Joint Community Facilities Agreement dated July 25, 2022 (“JCFA”) that provided for the financing of the Water District Facilities from the proceeds of the Bonds; and

**WHEREAS**, the Developer and its affiliates are developing residential property within Tract No. 69651 (the “Property”) and are requesting to annex said Property into CFD No. 2022-8; and

**WHEREAS**, the annexation of the Property into CFD No. 2022-8 requires an amendment to the JCFA; and

**WHEREAS**, the Developer, the Authority, and the Water District desire the annexation of the Property into CFD No. 2022-8 and an amendment to the JCFA to include Property, as provided in this Amendment.

**NOW, THEREFORE,** for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

**Section 1.** The definition of “Subject Units” under paragraph (a) of Section 6 of the JCFA is hereby amended in its entirety to read as follows:

“Subject Units” means the approximately 168 residential units, consisting of single-family homes, to be constructed on the portion of the Property known as Tract No. 54209 and Tract No. 69651, which are within the boundaries of the Community Facilities District, and for which entitlements have been obtained by the Developer or an affiliate thereof.

**Section 2.** Except as provided in this Amendment, all provisions of the JCFA shall remain in full force and effect.

**Section 3.** This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF,** the parties hereto have executed this Facilities Agreement as of the date first written above.

**CALIFORNIA MUNICIPAL FINANCE  
AUTHORITY**

By: \_\_\_\_\_  
Authorized Signatory

**PALMDALE WATER DISTRICT**

By: \_\_\_\_\_  
General Manager

**PACIFIC COMMUNITIES BUILDER,  
INC.**

By: \_\_\_\_\_  
Authorized Signatory







October 9, 2023

Dennis LaMoreaux  
General Manager  
Palmdale Water District  
Email: [dldamoreaux@palmdalewater.org](mailto:dldamoreaux@palmdalewater.org)

**Re: City of Palmdale Tract No. 69651 JCFA**

Mr. LaMoreaux,

I am writing on behalf of Pacific Communities Builder, Inc. ("PCB"), which is developing Tract No. 69651 ("Pacific Poppy") within the City of Palmdale ("City"). During 2022, PCB worked with the City, Palmdale Water District ("PWD"), and California Municipal Financing Authority ("CMFA") to form Community Facilities District No. 2022-8 ("CFD 2022-8") which encompassed two tracts within the City, one of which (Tract No. 54209 – Pacific Wildflower) is also within PWD. As shown in the attached Exhibit A, Pacific Poppy is a short distance east of Pacific Wildflower. When CFD 2022-8 was formed, PCB and CMFA worked with PWD to prepare a joint community facilities agreement ("JCFA") to allow CFD 2022-8 to finance PWD capital impact and meter fees. The JCFA was approved by the board of PWD last summer, and the executed agreement is attached for your reference.

Since Pacific Poppy is planned for only 73 homes, PCB has requested that it be annexed into CFD 2022-8, which will result in more efficient financing for both Pacific Poppy and Pacific Wildflower as compared to forming a new CFD for Pacific Poppy. Accordingly, I am writing to request that PWD approve a very simple amendment to the JCFA that will allow the financing of PWD fees for both projects. The proposed amended JCFA is also attached and shows that the changes are only to indicate that the property in CFD 2022-8 for which the PWD fees can be financed includes both projects.

Thank you for your review and consideration of this request, and please let me know if you have any questions or need additional information.

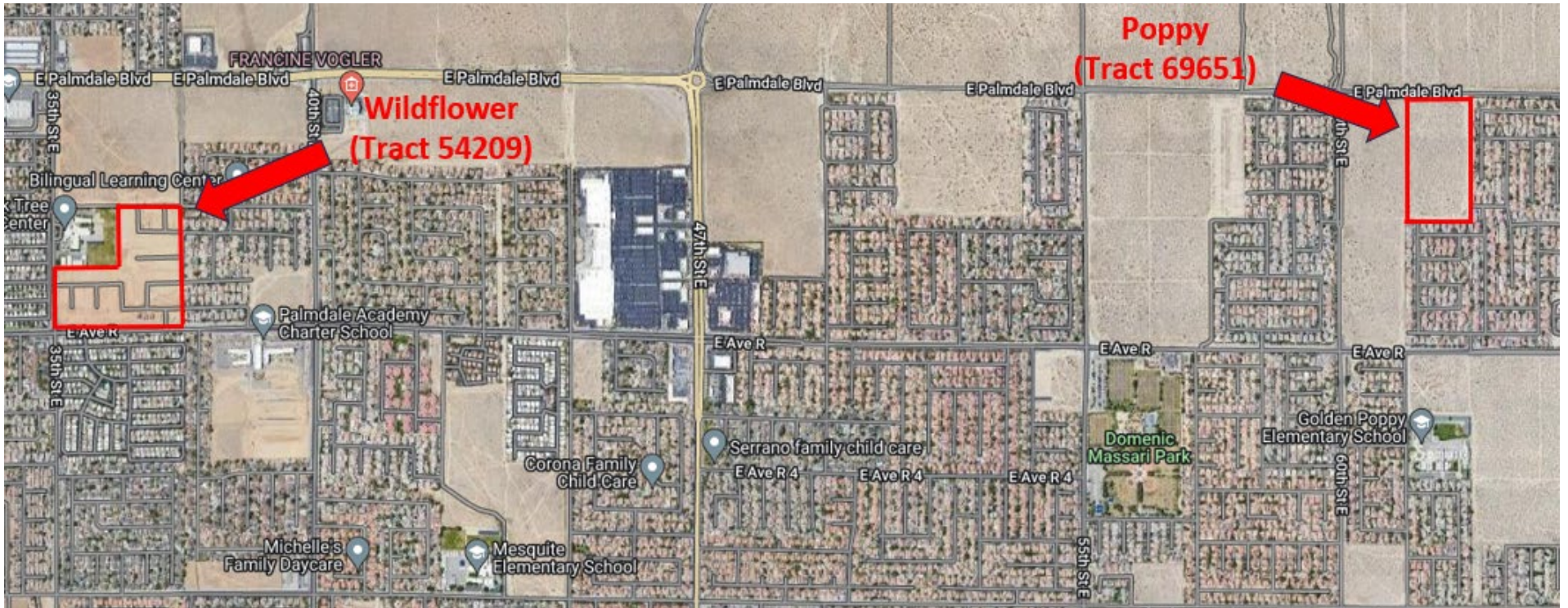
Sincerely,

A handwritten signature in black ink that reads "Jim Zimmerman".

Jim Zimmerman

cc: Nelson Chung

# Exhibit A





# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Mr. Scott Rogers, Engineering Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *CONSIDERATION AND POSSIBLE ACTION ON AUTHORIZING STAFF TO EXECUTE THE SECOND-YEAR AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH STANTEC CONSULTING SERVICES, INC. FOR PROGRAM MANAGEMENT SERVICES FOR PURE WATER AV. (\$2,038,690.00 – NOT-TO-EXCEED – BUDGETED – WORK ORDER NO. 20-417 – ENGINEERING MANAGER ROGERS)*

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## **Recommendation:**

Staff recommends that the Board authorize staff to execute a second-year amendment to the Professional Services Agreement with Stantec Consulting Services, Inc. for program management services for the Pure Water Antelope Valley (Pure Water AV) Program in the not-to-exceed annual amount of \$2,038,690.

## **Alternative Options:**

The alternative is to not execute the amendment to professional services for the District's Pure Water AV Program.

## **Impact of Taking No Action:**

The potential impact of taking no action would result in delays in the utilization of the District's 5,325 acre-feet of recycled water from the LACSD 20.

## **Background:**

The District entered into an agreement in 2016 to purchase 5,325 acre-feet of tertiary water from Palmdale Water Reclamation Plant owned and operated by Sanitation Districts of Los Angeles County, District 20 (LACSD 20). Initially, the District was pursuing a recharge and recovery project and in 2020 completed the drilling of a test well at the recharge area which resulted in recharge rates much lower than previously modeled. Based on the information collected for the project, the recharge and recovery project has been pushed to the future and the water augmentation project has been determined to be more suitable for fully utilizing tertiary water.

District staff hired Stantec Consulting Services Inc. to evaluate the feasibility of utilizing tertiary water from the Palmdale Regional Water Reclamation Plant of LACSD 20. The feasibility study examined the treatment train systems that make up the Advanced Water Purification Facility (AWPF). The feasibility study examined the utilization of tertiary water for either groundwater or surface water augmentation.

Summary of previous work completed by Stantec under the first-year authorization included the majority of the scope that included planning tasks and part of the demonstration facility design. Additionally, several items authorized but not initially included in the scope were completed including several grant applications and extended 6 months longer than planned.

The second-year activities include the following.

- Preparing the FEMA BRIC application for \$126,000 (scope and budget previously sent to the District for review)
- Landscape design for the visitor's center requested by the District - \$57,766
- Preparing additional funding applications requested by District and coordination with NHA - \$21,157
- Developing and maintaining the Pure Water AV website, developing branding and logo design, and developing, attending, and presenting the presentation at the National WaterReuse Symposium for the District as requested - \$24,612
- Increasing the flowrate of the demonstration facility from 30-60 GPM to 180-240 GPM resulting in additional construction drawings - \$488,000
- Change in design basis from an outdoor canopy for the process area to a dual-use enclosed building that includes a community center (with a capacity of 60 persons), with appealing architectural features - \$136,000

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 1 – Water Resource Reliability and No. 3 – Systems Efficiency.

This item directly relates to the District's Mission Statement.

**Budget:**

This item is budgeted and will be covered as part of Work Order No. 20-417.

**Supporting Documents:**

- Stantec Consulting Services, Inc. Year 2 Scope of Services and Fee Estimate





**Stantec Consulting Services Inc.**

9797 Aero Drive, Suite 310  
San Diego CA 92123-1898

September 26, 2023

Project/File: 184031611

**Subject:** Program Management Services – Year 2 for Palmdale Regional Water Augmentation Program  
(Pure Water Antelope Valley)

Scott Rogers, Engineering Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, CA 93550

Dear Scott,

Stantec Consulting Services Inc. (Stantec) entered into a contract services agreement with Palmdale Water District to provide Program Management Services for the Palmdale Regional Water Augmentation Program (Pure Water Antelope Valley) dated April 26, 2022. Stantec estimated the fees for Years 1 through 5 of the Program to be \$7.4M and PWD authorized a budget in the amount of \$3M for year 1.

Stantec has provided all scope of services within the 12 month period initially projected and we are now going into our 18<sup>th</sup> month managing the program within our initial year 1 budget allocation. We have completed the tasks scoped with the exception of finishing the demonstration facility design for which we have been on hold for several months while we wait for the necessary information from Veolia to integrate the Capture6 demonstration facility into our design. We have also provided out of scope services within our existing budget that has included design of the demonstration facility/visitor's center building that was initially scoped to include a canopy over the demonstration facility equipment, landscaping design for the visitors center, designing and maintaining the Pure Water Antelope Valley web page, completing the Community Resilience Center grant application, Title XVI grant application, OPR ICARP Regional Resilience Planning and Implementation Grant Letter of interest, branding and style guidelines, paper for industry engagement and presentation at WateReuse, as well as other services as indicated in the attached Scope of Work.

Stantec is requesting a budget in the amount of \$2,038,690 for Year 2 of the program and to cover the out of scope work performed during the first 17 months of the contract. Our initial projection at program inception for year 2 was estimated at \$1.5M. The difference in the budget is due to the following:

- Preparing the FEMA Bric application for \$126,000 (scope and budget previously sent to the District for review)
- Landscape design for the visitor's center requested by District - \$57,766
- Preparing additional funding applications requested by District and coordination with NHA - \$21,157
- Developing and maintaining the Pure Water AV website, developing branding and logo design, and developing, attending and presenting the presentation at the National WateReuse Symposium for the District as requested - \$24,612

**Reference: Program Management Services for Year 2 - Pure Water Antelope Valley**

- Increasing the flowrate of the demonstration facility from 30-60 gpm to 180-240 gpm resulting in additional construction drawings - \$488,000
- Change in design basis from an outdoor canopy for process area to a dual use enclosed building that includes a community center (with capacity of 60 persons), with appealing architectural features - \$136,000

A summary of the budget status for year 1, percent spent versus percent complete by task, out of scope work provided, as well as budget allocation by task for year 2 is shown on the attached table.

We are excited to have the opportunity to continue to provide these services to the District and happy to answer any questions.

Sincerely,

**STANTEC CONSULTING SERVICES INC.**



**Tama Snow** PE  
Vice President/Program Manager  
Phone: (858) 633-4231  
tama.snow@stantec.com

Attachment: [Scope of Work/Level of Effort]

Palmdale Water District  
 Pure Water Antelope Valley Program  
 Fee Estimate for Year 2 Services  
 September 26, 2023

Tasks	5-Year Program Budget by Task	Year 1					Year 2		Notes
		12 Months	4/22 to 9/26/23 - 17 Months				Original Budget at RFP Stage	Requested Budget	
Task Description	Total Authorized	Total Authorized	Spent to Date	Remaining	Percent Spent	Percent Complete	Original Budget at RFP Stage	Requested Budget	Notes
Task 1 - Program Management	\$ 1,275,465	\$ 285,948	\$ 262,207	\$ 23,741	93%	99%	\$ 318,866	\$ 268,643	
Task 2 - Program Priorities and Implementation Plan	\$ 628,030	\$ 626,664	\$ 421,266	\$ 205,398	67%	99%	\$ -	\$ -	
Task 3 - Project Delivery Methodology and Procurement Support	\$ 110,322	\$ 110,322	\$ 19,872	\$ 90,450	18%	19%	\$ -	\$ -	We will need additional budget for this in 2025
Task 4 - Funding Application Development and Preparation	\$ 221,732	\$ 53,000	\$ 94,130	\$ (41,130)	202%	100%	\$ 55,433	\$ 55,433	To cover out of scope funding application efforts
Task 5 - Tertiary Water Purchase Agreement Assistance	\$ 68,438	\$ 68,438	\$ 58,088	\$ 10,350	85%	100%	\$ -	\$ -	
Task 6 - Public Outreach Assistance	\$ 244,020	\$ 60,810	\$ 88,615	\$ (27,805)	151%	100%	\$ 61,005	\$ 61,005	
Task 7 - Bureau of Reclamation Feasibility Report	\$ 272,587	\$ 227,061	\$ 125,636	\$ 101,425	55%	99%	\$ 44,532	\$ 44,532	
Task 8 - Environmental Studies and Regulatory Compliance	\$ 340,478	\$ 33,219	\$ 51,430	\$ (18,211)	155%	100%	\$ 34,048	\$ 107,000	
Task 9 - Groundwater Modeling	\$ 484,385	\$ 429,907	\$ 238,643	\$ 191,264	56%	100%	\$ 54,449	\$ -	On hold
Task 10 - Pilot Testing for Groundwater Injection and Groundwater Monitoring	\$ 30,900	\$ -	\$ -	\$ -			\$ -	\$ -	
Task 11 - Demonstration Facility Design, Construction and Testing	\$ 2,372,677	\$ 834,722	\$ 1,322,502	\$ (487,780)	159%	55%	\$ 606,674	\$ 462,851	Demonstration Facility Design at 50-55% complete;
Task 12 - Design Criteria Package - AWPf, Injection Wells and Conveyance	\$ 1,060,400	\$ 95,023	\$ 1,265	\$ 93,758	1%	2%	\$ 207,423	\$ 207,423	Timing will be dependent on C6 facility vs brine ponds
Task 13 - Program Management Document Review	\$ 93,552	\$ 18,581	\$ 11,268	\$ 7,313	61%	100%	\$ 23,388	\$ 23,388	
Task 14 - Independent Advisory Panel	\$ 86,095	\$ 41,928	\$ 43,084	\$ (1,156)	103%	100%	\$ 44,166	\$ 44,166	
Task 15 - Cost Estimating and Scheduling	\$ 141,623	\$ 93,330	\$ 36,627	\$ 56,703	41%	71%	\$ 23,767	\$ 23,767	
<b>Scope of Work Total</b>	<b>\$ 7,430,703</b>	<b>\$ 2,978,953</b>	<b>\$ 2,774,633</b>	<b>\$ 204,320</b>	<b>94%</b>	<b>92%</b>	<b>\$ 1,473,751</b>	<b>\$ 1,298,209</b>	
<b>Out of Scope Work Requested</b>									
BRIC Funding Application								\$ 126,000	Proposal previously sent to PWD
Demo Design								\$ 487,780	For architectural and engineering services to design a visitor's center and double the size of the demonstration facility
Landscape Design								\$ 57,766	Out of Scope Work Authorized/Requested by PWD
Task 6 Public Outreach Assistance - Out of Scope Work								\$ 27,805	Out of Scope Work Authorized/Requested by PWD
Task 4 Funding Application and Grant Assistance Out of Scope Work								\$ 41,130	Out of Scope Work Authorized/Requested by PWD
<b>Subtotal - Extra Value/Out of Scope Work Requested by PWD</b>								<b>\$ 740,481</b>	
<b>Total Year 2 Scope of Work and Out of Scope Work Requested</b>	<b>\$ 7,430,703</b>	<b>\$ 2,978,953</b>						<b>\$ 2,038,690</b>	





## Scope of Work

### Palmdale Water District

### Palmdale Regional Water Augmentation Program

### Year 2 Scope of Services

September 26, 2023

The purpose of this document is to request budget for Year 2 under Stantec Consulting Services Inc. (Stantec) Contract Services Agreement with Palmdale Water District (District) for the Palmdale Regional Water Augmentation Program, now renamed as Pure Water Antelope Valley (Project No. 20-417) dated April 26, 2022. Understanding that this is a multi-year program, the scope of work originally presented below (in black text) was based on our experience on similar programs and the schedule to implement the Pure Water Antelope Valley Program. Our original contract was for three years with a possible two year extension, and, as information has been obtained that better defines the program, the scope of work has been revised to include items that have been performed 1) out of scope for year one at the advisement and direction of the District, 2) out of scope for the overall program as was originally proposed, and 3) out of scope items as originally proposed based on comments and recommendations from the Independent Advisory Panel. Updates to the deliverables and tasks completed to date are shown in **bold black text**. Out of scope items are denoted in **red text** below.

#### Task 1: Program Management

Stantec will continue to conduct Program Management services during year 2 to oversee and manage the PRWAP as an extension of District staff that adheres to the scope, schedule and budget; provide efficient and frequent communication with the District, subconsultants and other project stakeholders; and provide independent technical oversight and quality assurance and quality control of the tasks being completed by the design teams. The scope of services for Program Management includes the following items:

1. Preparation of Project Status Reports – Stantec will prepare bi-weekly and monthly project status reports for the District’s management team. The bi-weekly status reports will consist of a brief email report summarizing work activities completed the previous two weeks, along with activities planned for the upcoming two weeks, as well as an updated project schedule. Monthly status reports will provide more detail and will summarize work for the previous and upcoming month. The monthly reports will include an updated schedule to be prepared in an agreed upon format and a summary of budget expenditures to date per task and budget remaining. In addition to the status reports, Stantec’s Program team will maintain strong lines of communication with District and stakeholders via email and telephone. Stantec will copy District staff on all emails to and from project stakeholders.
2. Program Coordination – Stantec will coordinate deliverables and activities between the District’s management team, the District’s public outreach staff, Stantec’s public outreach consultant Katz & Associates, legal team and financial advisor (NHA), rate case consultant (RDN), District’s economic consultant (to be determined). Project construction costs, program schedule, graphics and maps shall be provided as necessary to support the PRWAP. The following scope of services for program coordination shall be provided:

- Meetings and Workshops – Stantec will schedule and lead meetings with District’s team, program subconsultants and stakeholders. Stantec will provide agendas of upcoming coordination meetings in advance of the meeting and prepare meeting minutes and action items within five working days following the meetings/workshops. Stantec will prepare materials for board presentations and attend board presentations as needed. The following meetings and workshops are included as part of the program management task:
  - Kickoff Meeting – **Completed Year 1**
  - Workshop 1 – Program Priorities and Implementation Plan – **Completed Year 1**
  - Workshop 2 – Regulatory Approval (including groundwater modeling) Approach and Public Outreach Strategies – **Completed Year 1**
  - Workshop 3 – Demonstration Facility Needs and Design Standards – **Completed Year 1**
  - Workshop 4 – Project Delivery Methodology – **Completed Year 1**
  - Workshop 5 – Groundwater Modeling – Preliminary Findings and Implications – **Completed Year 1**
  - Workshop 6 – Design Criteria Package
  - Workshop 7 – Environmental Compliance Needs and Approach
  - Review Draft TM on Purchase Agreement Task 5
  - ~~Monthly~~ **Bi-weekly** Progress Meetings with District
  - **Bi-weekly coordination meetings with District and LACSD**
  - Board Presentations (4)

3. Quality Assurance and Quality Control (QA/QC) Coordination – This task includes the program management time to coordinate the independent technical reviews between multiple disciplines and multiple subconsultants. Effort for independent technical reviews by the PRWAP team is included in Task 13.

Deliverables:

- Bi-weekly progress reports
- Monthly status reports
- Meeting agendas and meeting minutes
- Attendance and coordination for monthly in-person meetings with District staff (12)
- Attendance and coordination for seven (7) in-person workshops with District staff (full-day) – **Completed 5 workshops in Year 1**
- Attendance and provide materials for in-person board meetings as needed (4)

## **Task 2: Program Priorities and Implementation Plan**

Stantec will review background documents provided by the District to establish the PRWAP's priorities and develop a Program Implementation Plan (PIP). The PIP will include a master program schedule with priorities linked to financial obligations. Items to be performed under this task include:

1. Background Review – Review existing reports and data provided by the District to identify current status of work completed and identify additional studies or analyses needed to establish program priorities and develop a master program schedule. Background documents shall include, environmental reports, groundwater modeling reports, existing and future well locations and production rates, plans and process information for the LACSD 20 Palmdale Water Reclamation Plant (PWRP), financial information including grants and loans and existing funding available for the project. **Completed in Year 1**

2. Rapid Program Readiness Assessment – Stantec will evaluate and identify additional studies, data and/or analyses needed to supplement the existing studies, data and analyses. Identified items shall be documented, prioritized and discussed with the District and, upon reaching a consensus, items will be incorporated into the PIP and master schedule. **Completed in Year 1**

3. Funding Assessment – Stantec will review existing funding programs for relevance to the PRWAP and evaluate likelihood of success and develop and prioritize a loan and grant application schedule. Stantec shall coordinate and moderate strategy sessions for District staff and Board of Directors, funding agencies and elected officials. Upon securing funding, the Stantec funding team shall drive compliance, track progress, provide necessary reports and assist District staff at executing a coordinated and streamlined approach to securing maximum funding. **Completed in Year 1**

4. Economic Impact Analysis - Stantec's Financial Services Team (FST), will identify the necessary economic inputs to include estimated construction costs, estimated full-time equivalents (FTEs), and approximate salaries for jobs created during different phases over the project's life to conduct an economic analysis. Stantec will conduct an "input-Output" analysis using a Leontif, an Implan economic input-output model (e.g., IMPLAN, the Regional Input-Output Modeling System (RIMS II), or a comparable model) to calculate the estimated economic impact of the project on local commercial and industrial activities. The input-output model will estimate the direct, indirect, and induced effects of projects, both during construction periods and for ongoing operations through the projected life of the infrastructure or project. For purposes of this task, it has been assumed that all program components will be constructed on previously vacant land that is not being utilized for other economic purposes and, consequently, a "highest and best use" study is not being conducted nor will estimating the net effects of replacing other economic benefits be estimated. Results and findings of the economic analysis will be presented in a Technical Memorandum and submitted to the District for review and comment. Our FST will attend and conduct a presentation for the board as requested. **Completed in Year 1**

5. Program Implementation Plan – Stantec will prepare a comprehensive PIP that identifies drivers, risks, and critical milestones and defines projects and studies necessary to fully implement the PRWAP. The PIP will be presented in a memorandum or report format and include a master schedule that ties together critical path items, funding, program budget needs and project expenditures. The master schedule shall be a living document and updated as milestones have been accomplished and critical path items are surpassed. **Completed in Year 1**

Deliverables:

- Data request - **Completed in Year 1**
- Program priorities and implementation plan - **To be submitted by August 1, 2023**
- Economic impact technical memorandum (draft and final) - **Completed in Year 1**
- Master program schedule – **Monthly updates**
- Brine management strategy technical memorandum (draft and final) – **Completed in Year 1**

**Task 3: Project Delivery Methodology and Procurement Support**

Stantec’s in-house certified alternative project delivery expert, Mike Watson—who sat on the advisory committee for the Design-Build Institute of America (DBIA) in 2021—shall lead this task to evaluate alternative project delivery methods for the PRWAP to provide the District with the information needed to make an informed decision on selecting a project delivery method. Leveraging Stantec’s in-house expertise, the following tasks shall be completed:

1. Evaluate Project Delivery Methods – Stantec will prepare a Technical Memorandum (TM) that provides a description of each project delivery method, identifies the percent of design completion required for each delivery method, and conduct a comprehensive analysis of the advantages and disadvantages of the various project delivery methods as they relate to the PRWAP. The Stantec PM team will coordinate and moderate a workshop for District staff to educate staff on different delivery methods and pros and cons. Prior to the workshop with District staff, Stantec will prepare a spreadsheet that details projects, delivery methods, alternative evaluation criteria based on the pros and cons, and weighting factors so that a Multi-Objective Decision Analysis (MODA) can be conducted during the workshop. The purpose of this value-added task is to get an unbiased assessment based on criteria that is weighted and may have varying importance to each District staff. The MODA will assist the District and PM team with selecting the preferred project delivery method.

Following the workshop with District staff, Stantec’s PM team will attend a meeting with the District board of directors to recommend the preferred delivery method for each component of the PRWAP. Delivery methods that will be evaluated include but are not limited to:

- Traditional Design-Bid-Build (100% Design Plans),
- Construction Management At-Risk (CMAR),
- Progressive-Design-Build (PDB),
- Fixed-Price Design-Build (FPDB),
- Design-Build-Operate, and
- Public-Private Partnership

2. Design Criteria Package – The design team will prepare a preliminary design with sufficient detail to serve as bridging documents. This level of design is typically 10-20% to establish the design criteria and

equipment performance that must be met by the DBE but does not restrict the DBE team from developing alternative equipment layouts and selecting alternative equipment vendors so that competitive bids can be obtained.

3. Pre-Bid, Bid and DBE Award Assistance – The Stantec PM team will assist the District in the pre-bidding, bidding and award phases to select the DBE. The following items will be completed as part of this task and will include collaborating with, and incorporating comments from, District staff, board and legal team:

- Establish process for and evaluation criteria for selecting a DBE
- Assist District and District’s legal counsel with development of a contract for delivery by the DBE
- Develop and prepare Request For Qualifications (RFQ) and Request For Proposal (RFP)
- Assist in administering RFQ and evaluate submittals from prospective DBE; make recommendation on shortlist of DBE to be invited to submit proposals
- Assist in administering the RFP and evaluate proposals from prospective DBE; Stantec suggests that the District consider conducting interviews with prospective DBE
- Stantec Team members will attend DBE interviews and make a recommendation on selection
- Assist District and legal counsel with negotiation of contract terms with recommended DBE

Deliverables:

- Project Delivery Assessment TM (Draft and Final) – **Completed in Year 1**
- Request for Qualifications
- Request for Proposal
- Design-Build Contract

*Assumes design-build is selected as the delivery method and may be adjusted and vary for each project component following the delivery method analysis.*

**Task 4: Funding Application Development and Preparation**

The Stantec Financial Services Team (FST) will prepare a detailed funding plan that will identify the funding agency, application requirements, detailed schedule that will identify milestones and who will be the responsible lead, and information that will be needed from the District to support the application. In addition, the plan will identify the strategies that should be taken by the District and District’s Board to best position the District to successfully capture funding. The Stantec Team will develop and write the technical content and prepare graphics to support each package. The following tasks shall be performed to secure funding for the PRWAP:

1. Funding Plan - The Stantec FST will prepare an overall funding plan for the District that will identify the funding agency, application requirements, detailed schedule that will identify milestones and who will be the responsible lead and information that will be needed from the District to support the

application process. A draft of the Funding Plan will be submitted to the District for review and comments received will be incorporated in the Final Plan. This plan will be the initial funding roadmap for the District and will be updated periodically as new funding opportunities are identified. This information will support the economic analysis discussed in Task 2.

2. Application Technical Project Description and Evaluation Criteria Narrative Development –Based on the Funding Plan and due dates for each application, the Stantec Team will provide the technical content and graphics for use by the FST to complete the application.

3. Application Review and Submission – Stantec’s PM will coordinate and schedule regular meetings with District to gather the necessary information to expedite each application. A draft of each application (up to a maximum of two) will be submitted to District for review and revised as necessary prior to submission. Stantec’s FST will submit applications on behalf of the District and track application status.

Deliverables:

- Funding Plan **Completed in Year 1**
- Meeting Coordination for Each Application
- ~~SRF Application and Attachments~~ – **Will not be prepared at this time. NHA has indicated that SRF funding is not in the best interest of the District due to existing bond coverage requirements on existing debt**
- WRFP Application and Attachments - **Will be completed following full-scale facility design reaches 10% design**
- BOR Title XVI WIIN Application and Attachments - **Title XVI Study is complete; District and BOR have reviewed, comments have been incorporated; Waiting for feasibility study approval by BOR then application for construction funding will be started**
- WIFIA Letter of Interest, Application, and Attachments – **LOI completed; Application in progress; Submitting in October and supporting negotiations through loan closure**
- **Title XVI Planning Grant Application – In Progress and will be submitted on February 28, 2023**
- **OPR ICARP Regional Resilience Planning and Implementation Grant Program – Submitted in August 28, 2023; This does not include post award support**
- **Community Resilience Centers - strategic growth council; For demonstration facility; Submitted September 18, 2023; This does not include post award support**
- **FEMA BRIC Program – Evaluated Program; detailed scope of work and level of effort prepared for District’s review. Notice of Interest has been prepared.**

## **Task 5: Assistance with Tertiary Water Purchase Agreement**

Stantec will complete the following tasks to assist the District with revisions to the water purchase agreement with LACSD 20:

1. Water Quality Analysis – Stantec will review LACSD 20 source control program, process, waste discharge permit (WDR), historical water quality from the Palmdale WRP and conduct a water quality analysis to identify process improvements that may be needed at the Palmdale WRP to increase reliable operation of the AWPF. Stantec shall establish water quality parameters that will serve to support the design of the AWPF.
2. Cost Savings Analysis – Based on review of the process and water quality analysis discussed in Task 5.1, Stantec will prepare a cost analysis to determine if the recommended improvements to the Palmdale WRP to support reliable operation of the AWPF provides a cost savings to LACSD 20.
3. Prepare Technical Memorandum – Following review and analyses as discussed in tasks 5.1 and 5.2, Stantec will prepare a draft and final TM summarizing the findings and make recommendations for improvements to the process at the Palmdale WRP as well as recommendations for amendments to the agreement with LACSD 20. The draft TM will undergo an independent technical review prior to submission to the District and comments from the technical review will be incorporated. The final draft will be submitted together with the comment and response log to the District for review. Comments received from the District will be added to the comment and response log and incorporated into the TM as appropriate and the final submitted to the District.

### Deliverables:

- PWRP Tertiary Water Requirements TM (Draft and Final) - **Completed in Year 1**

## **Task 6: Public Outreach**

Stantec's subconsultant K&A will bring forward the latest and best practices that can be applied to stakeholder engagement and public acceptance. They will help guide District staff and assist with designing and implementing strategies to help raise awareness and overcome obstacles that may arise. The following tasks shall be provided as part of the public outreach task:

1. Kick-off Meeting - A kick-off team meeting/planning session will confirm project priorities, approaches, and general messages. This task will include the preparation for and participation in a two-hour outreach kick-off meeting, including preparation, materials development, and a summary. This task also includes attending and documenting project meetings; coordination with public outreach and other team members including participation in regular updates; maintaining a comprehensive stakeholder list; strategic counsel and issues management; contract compliance; and preparation of monthly progress reports. Assumes participation in up to two (2) project coordination meetings per year, for a total of 12 project coordination meetings with the project team. Assumes participation in four (4) project updates per year for a total of 24. Assumes a limited level of effort for strategic counsel and issues management. Assumes preparation and maintenance of an updated stakeholder list in coordination with District staff, and coordination of up to six (6) outreach-associated updates to stakeholders. Assumes a total of 48 monthly activity summaries.



2. Assistance with Public Outreach – Building on the District’s existing outreach activities and leveraging the prior efforts for the Groundwater Recharge and Recovery efforts, the following tasks will be provided to assist the District:

- **Programmatic Communications Plan and Talking Points:** This task includes supporting the District with public outreach for the PRWAP, including the preparation of a communication/public engagement plan to cover programmatic outreach for the duration of the program including outreach roles/responsibilities, tactics and timing, a rapid response plan, and a media plan. It also assumes support of public outreach through preparation of a project presentation, speaking points for team members, a PowerPoint script, and spokesperson training. It also includes a base level of strategic counsel on speakers bureau formation, scheduling, and maintenance, as well as coordination with PWD staff on additional community event participation and partnerships specific to the augmentation project. Given the duration of this program, this task also assumes strategic support throughout the project lifecycle.
- **Content for Web, Newsletter and Social Media Content:** Outreach support also assumes development of a message plan, supporting facts, and public-focused information that would then become the basis for all collateral and public information (Spanish and English) including that described under RFP III.F.C flyers and handouts. We recommend preparation of an annual social media and “editorial” calendar to align with project schedule and milestones and maximize existing content and graphics to inform up to four (4) newsletter entries, six (6) website updates, and six (6) social media posts per year. All graphics for these updates are included with minimal social media post and website graphic modification included under this task.
- **In-Person Tour Development and Support:** For purposes of scope development, we assume that the RFP terms “flyer” and “handout” are broad terms to describe informational materials that support understanding and education for diverse audiences. Specifics will be identified in coordination with District staff, but our foundational recommendations include development of a project fact sheet, FAQ, tour brochure, project infographic, tour survey, a youth activity handout, and a post-tour survey handout. For scope estimation, we these or other identified collateral materials will be incorporated into preparation of up to eight (8), 8 ½ x 11, two-sided, full color flyers along with eight (8), 11x17, full color handouts with up to 10 project and technical specialized graphics (such as treatment train, etc.). All material will be developed in Spanish and English. For a successful and organized tour program, we recommend preparation of a tour script for general and youth audiences, a tour manual for staff, a tour presentation, and one tour guide training sessions.
- **Virtual Tour:** To expand the reach of information and expose a wide audience to the demonstration facility and ultimate learning center, this task assumes creation of one virtual “real-time” walkthrough video with graphic support, and creation of up to eight (8), 30-second subject matter expert videos that can meet multiple uses including website and social media posting.

- **Water Ambassador Academy:** As part of District activities, a range of technical and general information will be prepared and can be assembled to form the basis of an in-depth module for the District's Water Ambassador Academy. We assume existing materials covered in other tasks will be used for this module.
- **Community Meetings:** Finally, community meetings, whether in person or virtual or in a hybrid approach, will be important means to engage community members and encourage productive discussions. This task assumes support of four (4) community meetings and assumes that two of these will be CEQA-focused meetings to support Task III.H in the RFP, including one scoping meeting and one Draft EIR meeting in open house formats. To ensure thorough public engagement that meets CEQA requirements, this task assumes development of a draft and final public participation logistics plan; scoping and Draft EIR notification content; one (1) scoping meeting fact sheet with a Draft EIR update; scoping meeting posters (4) with Draft EIR updates (4); one (1) CEQA FAQ with a Draft EIR update; and a dry run agenda and materials to prepare subject matter experts for public engagement and risk communications. The majority of materials and design will be prepared under previous tasks. Though we are assuming both in open house formats for all meetings, K&A has extensive experience managing logistics and options for virtual meetings and can do so in coordination with the District's communications staff. The two remaining meetings will be designed in coordination with staff and assumes updates to the program PowerPoint, preparation of a project spokesperson, and onsite support by one K&A staff member.
- All materials assume up to two revision rounds before finalization. Assumes the District will pay for costs of postage, printing, and distribution.

Deliverables:

- Summary notes from project coordination meetings and update meetings
- Summary report of kick-off meeting - **Completed in Year 1**
- Comprehensive stakeholder list - **Completed in Year 1**
- Monthly activity summaries to be included with Program team monthly update
- Communication/public engagement plan including a rapid response plan and media plan **Completed in Year 1**
- Project presentation and script **Completed PowerPoint template and project branding in Year 1;**
- Speaking points for team members
- Project message plan
- Social media, newsletter, and website content - **Completed in Year 1**
- Up to eight flyers
- Up to eight handouts
- Tour script

- Tour manual
- Tour presentation
- Virtual tour video
- Subject matter expert video clips
- Community meeting materials – Completed posters for July 2023 Community Event
- **Fact Sheet - Completed in Year 1**
- **Developed Pure Water Antelope Valley Website – Development completed in Year 1; Will continue to keep website content up to date for the duration of the program**
- **Developed project logo and branding materials – Completed in Year 1**
- **Branding (Creating project identity, style guide, name and tagline) Completed in Year 1**
- **Tour Signage (Creating posted visuals to accompany tour materials and match branding)**
- **Input on education display/design (Provide strategic counsel on educational displays, content and interactivity) - Underway**
- **Participation in meetings with architect and designers to assist with routing and layout for customer friendly tours**
- **Industry engagement (Developed WaterReuse Presentation and attended WaterReuse to present paper for District)**

#### **Task 7: Bureau of Reclamation Feasibility Report**

Stantec will perform the following tasks to complete the Bureau of Reclamation (BOR) Title XVI Feasibility Report:

1. Background and Alternatives Analysis – Stantec shall review the existing BOR Title XVI Report that was prepared for the Groundwater Recharge Program and prepare a new BOR Title XVI feasibility report for the PRWAP.

The alternatives to be evaluated shall include:

- Groundwater augmentation (5 MGD)
- Surface Water augmentation (5 MGD)
- Combination of both groundwater and surface water augmentation (10 MGD)
- Expansion of an Antelope Valley regional water augmentation project by utilizing tertiary water from Lancaster Reclamation Plant.
- Direct Potable Reuse

The Stantec Team shall consider the siting locations of the AWPf utilizing existing vacant parcels that will be adequate to accommodate a 5 MGD plant and an expansion for 10 MGD full build out. Stantec will submit a draft report to the District for review. Comments from the District shall be incorporated into the Draft report and submitted to BOR for review. Comments from BOR will be addressed and incorporated into the report until accepted by BOR.

## Deliverables:

- BOR Feasibility Report (Draft and Final) - **Completed in year 1**

## **Task 8: Environmental Studies and Regulatory Compliance**

The following studies and tasks shall be completed as part of the environmental studies and regulatory compliance task:

1. Prepare Strategy Plan – At the onset of the PRWAP, Stantec will review background documents and prepare a strategy plan to identify the best path forward to give the District the best chance at securing funding and meeting regulatory permitting requirements. Upon review and approval by the District, the strategy plan will be implemented and tied to the PRWAP schedule and application deadlines. An environmental review of the PRWAP will be completed in accordance with the requirements of the California Environmental Quality Act (CEQA). Potential triggers for compliance with the National Environmental Policy Act (NEPA) will be identified. The Environmental Compliance Strategy Plan will identify the appropriate CEQA process for the project, including review of the benefits of a project-level or programmatic environmental document. However, for the purposes of this scope of work, it is assumed that the CEQA process for the project will be a project-level Initial Study and Mitigated Negative Declaration (IS/MND) for the treatment and groundwater injection project (to include construction of a treatment plant, repurposing of existing ponds for brine disposal, and pipeline and injection well installation).

2. Environmental Constraints Analysis - Based on proposed project facilities, locations, and the special studies conducted in item 3, below, Stantec will prepare an environmental constraints analysis for the various elements of the PRWAP. The constraints analysis will focus on environmental issues that present a fatal flaw to successful regulatory permitting or that could become major schedule constraints. A brief Technical Memorandum will be prepared to document the results of the constraints analysis.

3. Initial Study (IS) - Special studies will be required to support preparation of the environmental document for the project. The extent and complexity of these studies will depend on the locations of project facilities and the maximum areas of potential construction disturbance, including for proposed pipeline alignments. Stantec proposes to conduct initial environmental assessment for the treatment plant site, up to 40 acres of brine disposal ponds and up to 10 miles of pipeline alignments.

Supporting assessments for the IS will include:

**Air Quality** - Stantec will estimate construction-related air pollutant and greenhouse gas emissions based on the construction information provided by project engineers. Worst-case, peak-day emissions estimates will be prepared. Operations-related air pollutants will include consideration of energy needs for the project. Emission estimates will be compared to thresholds of significance established by the Antelope Valley Air Quality Management District and published in their CEQA and Federal Conformity Guidelines (August 2016)

**Biological Resources** - Initial database searches, reconnaissance-level field surveys and existing document reviews for the treatment plant site, up to 40 acres of brine disposal ponds and up to 10 miles of pipeline alignments will be conducted to identify potential significant biological resources impacts.

- **Research:** To assess the potential for special-status species and/or their habitat and/or regulated aquatic resources to occur on the project areas, Stantec will obtain and review existing reports and unpublished data to determine the nature and scope of additional work required to adequately characterize environmental conditions. Stantec will conduct a desktop review including review of aerial imagery/KMZ files, topographic maps, U.S. Fish and Wildlife Service (USFWS) National Wetland Inventory online maps, USFWS database of federally listed species and critical habitat, CDFW California Natural Diversity Database (CNDDDB), and California Native Plant Society (CNPS) rare plant database.
- **Survey:** Stantec biologists will conduct reconnaissance-level survey of the project areas to identify native and non-native plant species, existing vegetation communities, avian and wildlife use, and the potential for any special-status plants or animals to be present on the project areas. The presence of tree species covered by local ordinance will be noted.
- **Reporting:** The results of the surveys will include identification of necessary protocol level surveys for specific species and/or jurisdictional delineation of aquatic areas, as relevant. The results of the initial biological resources assessment will be documented in a report and incorporated into the IS. Up to one round of comments will be addressed prior to finalization of the report. Protocol or other additional surveys could be conducted under an amended or subsequent scope of work

Cultural Resources - Initial database searches, reconnaissance-level field surveys and existing document reviews for the treatment plant site, up to 40 acres of brine disposal ponds and up to 10 miles of pipeline alignments will be conducted to identify potential significant cultural resources impacts.

- **Research:** Project archaeologists will request from the South Central Coastal Information Center (SCCIC) at California State University Fullerton a records search of these project areas to identify known cultural resources (historic and archaeological). The Native American Heritage Commission (NAHC) will be contacted and a request made for a Sacred Lands File Search and Tribal Contact. The results of the Sacred Land File search will inform the results of the literature review. Tribal contact information will be provided to the District for their AB 52 consultation obligations. If requested, Stantec is available to provide support, but no meetings or consultations with Native American entities or historical interest groups are included in this scope of work. A Stantec paleontologist meeting the standards of the Society of Vertebrate Paleontology (2010) as a Qualified Professional Paleontologist will conduct a desktop evaluation of the project areas to describe existing conditions and to assess whether the project could directly or indirectly adversely impact a unique paleontological resource or site or unique geologic feature. **Partially completed.**
- **Field Survey:** Stantec Team archaeologists, under the direction of a professional Secretary of the Interior qualified Principal Investigator, will conduct a non-collection pedestrian survey of the project areas. Pedestrian survey will consist of transects (parallel where possible) no greater than 20-meters apart, as feasible. It is assumed that no artifacts will be identified or require recordation on California DPR 523 forms. If sites are identified, Stantec will recommend an assessment process to the District. **Partially completed; Completed for demonstration facility site.**

- Reporting: After completion of the field survey, a cultural resource inventory report will be prepared. The report will conform to the California Office of Historic Preservation's Archaeological Resource Management Reports (ARMR) standards, and will include the following sections: introduction, purpose, project description, the natural and cultural setting, archaeological and paleontological records search results, Native American consultation results, field methodology, survey findings and documentation, management recommendations, and references cited. The report will include recommendations for resource management, and provide a professional opinion as to whether formal evaluation and further study of any resources is required. The report will also include color digital photographs and project location maps. Up to one round of comments will be addressed prior to finalization of the report. After finalization, a copy of the report will be filed at the SCCIC. **Partially completed; Completed for demonstration facility site.**

Noise - Stantec will assess construction-related noise on adjacent receptors based on construction equipment necessary for installation of the project. On-site noise measurements and modeling are not anticipated to be necessary.

Water Resources - The IS will incorporate the results of groundwater modeling conducted for the project.

Traffic - Stantec will assess potential traffic impacts based on project construction characteristics and facility locations. Site-specific traffic counts and traffic modeling are not anticipated to be necessary.

Cortese List - The results of Cortese list environmental database searches will be incorporated into the IS.

4. Administer Statutory Process - Stantec will assist the District with processing of the MND, including preparation of required notices, electronic filings with the State CEQA clearinghouse and reviewing comments received on the IS. Since formal responses to comments are not required for MNDs, Stantec assumes none would be prepared.

5. Staff Support – Stantec will provide project maps and/or presentation and attend up to one Board meeting to support District staff in recommending adoption of the CEQA document by the District Board.

6. Identify Permits – Stantec will prepare a comprehensive permit matrix for the PRWAP including a brief description of the permit, permitting agency, contact information, schedule and estimated cost to obtain.

7. Evaluate Existing Chlorination Practices – The program team will evaluate LACSD's existing chlorination practice(s) and identify any potential changes to improve efficiency and impact on the AWP equipment, while maintaining compliance with existing regulatory requirements. **Completed in Year 1**

8. Title 22 Engineering Report – Stantec's subconsultant Trussell Technologies will work with the program team to prepare a Title 22 Engineering Report for both the demonstration facility and full-scale project, in compliance with the requirements of the California Code of Regulations, for the PRWAP in coordination with District staff and other District consultants for supporting documentation.

9. Waste Discharge Requirements – The Stantec Team will evaluate the waste discharge requirements and prepare the permit application for brine discharge with the Lahontan Regional Water Quality Control Board.

Deliverables:

- Environmental Strategy Plan- **Completed**
- CEQA Plus IS/MND (Draft and Final)
- Mitigated Negative Declaration Documents (notices and mailing lists)
- Title 22 Engineering Report (Draft and Final)
- Waste Discharge Permit Application
- **Mitigated Negative Declaration for Demonstration Facility – Completed in Year 1**
- **Provided cultural and bio records searches for Avenue Q Pipeline and surrounding areas – Completed in Year 1**

**Task 9: Groundwater Modeling**

The Stantec Team will conduct data analysis and groundwater modeling to support project permitting, locate and design injection and monitoring wells, comply with Title 22 regulations, and assist in future treatment and discharge optimization.

Groundwater modeling will consist of the following two tasks.

1. Data Analysis - Available data will be analyzed to identify critical data gaps that should be addressed to improve representativeness and confidence in the numerical model results and to plan the field program outlined in Task 10. A priority objective of the data analysis will be to understand groundwater flow directions and gradients in the project area. Results of the data analysis will also be used to apply analytical equations to confirm the Darcy's law travel time estimate. These analytical estimates will help guide numerical model development.

2. Numerical Groundwater Flow and Transport Model Development – The Stantec Team evaluated several existing groundwater models for use on the project, including models developed by the U.S. Geological Survey and other consultants. None of the existing models are appropriate for direct use without substantial modification, but all of them contain useful information for the water augmentation project. Therefore, a project-specific groundwater flow, particle tracking, and solute transport model will be developed and calibrated to meet project objectives. The model will use pertinent information from previous models to the extent beneficial for the project.

Our modeling approach will start with an evaluation of recent MODFLOW versions (e.g., MODFLOW-USG or MODFLOW 6) to select the most appropriate model code and leverage new features that enhance achieving project objectives. This includes improved model grid design, advanced well simulation modules, and reduce computational time. Our approach will ensure that the model grid and layering are optimized for project simulations, which conceptually includes adequately reproducing local groundwater flow conditions in the project area, pumping and injection well impacts, and estimating injected water flow directions, dilution rates, and travel times to nearby pumping wells. Further, the model will be designed to study alternate injection wellfield and monitoring network designs that meet

regulatory requirements. The model will include a refined evaluation of available hydrogeologic data and groundwater pumping data through at least 2020. The model will be calibrated to transient groundwater conditions over an appropriate period developed based on the Task 1 data analysis.

The initial numerical model development would begin immediately after notice to proceed and take about 6 months to complete. Initial modeling would occur concurrently with the field program outlined in Task 10 below. The model will be refined using data from the field program.

The model and draft TM will be independently reviewed by Victor Harris of H&H. The final TM will be backchecked to ensure that all comments were incorporated.

Deliverables:

- Draft and Technical Memorandum – **Completed in Year 1**
- **Participation in IAP Workshop(s) – Completed in Year 1**

**Task 10: Pilot Testing for Groundwater Injection and Groundwater Monitoring** **Optional Task that will be postponed until further program development.**

#### **Task 11: Demonstration Facility Design, Construction and Testing**

To establish the design and operational criteria for the full-scale AWPf and support getting regulatory approvals, a 30-60 gpm demonstration facility will be constructed. The Stantec Design team for the demonstration facility will prepare the initial layout, design and bid package for the demonstration facility. This task also includes equipment selection for evaluation and to pre-qualify and/or pre-select reverse osmosis (RO), membrane filtration (MF) and ultraviolet-advanced oxidation process (UV-AOP) equipment manufacturers. The demonstration study will evaluate and test the selected treatment system to determine the effective treatment, brine disposal, and required log removal to meet the Title 22 requirements for indirect potable reuse and direct potable reuse. The design will include the necessary modifications to the demonstration facility for it to transition from testing facility to the District's AWPf's learning facility. The following minimum tasks shall be completed:

1. Pre-Purchase Equipment Bid - **Completed in Year 1**; - Develop the equipment specifications and bid documents for pre-purchase of the MF, RO and UV/AOP equipment based on the pre-qualification and/or pre-selection and design criteria task. Equipment shall be purchased such that the equipment is ready for installation by the contractor.
2. Test Protocol Development – **Completed in Year 1**; A detailed test protocol shall be developed identifying the treatment process trains, 12-month test schedule, analytical testing and sampling schedule. The draft protocol will be provided for review by the Independent Advisory Panel (IAP). Stakeholder and regulatory comments will be incorporated into the final testing protocol. The study will include review of water quality data and previous sampling from the Palmdale WRP to identify constituents with likelihood of exceeding Safe Drinking Water Act (SDWA) primary MCLs, secondary MCLs, California Notification Levels, NPDES permit levels, or other regulated limits through an anticipated AWPf. The test protocol will include testing for target constituents that would be effective at evaluating and comparing the potable reuse treatment train that would impact public health. Special



attention will be given for sampling those contaminants likely to persist through a given treatment process with the potential risk of exceeding maximum contaminant levels or notification levels. Towards the end of the 12-month test period, a treatment train will be tested that is capable of addressing DDW's concerns with reliability that will inform the District on a strategy for potable reuse. A proposed treatment train, together with the logic in how this will address DDW concerns, shall be provided.

**3. Demonstration Design, Layout, and Construction – Geotechnical Report for demonstration facility site completed; 30 percent design completed; progressing to 60% design to be completed as part of Year 1 scope of work and budget** - The demonstration facility, proposed to be located on the eastern side of the District's Main Office site, with the primary public entrance fronting East Avenue Q shall be designed so that it is suitable for public tours and interested stakeholders. A thorough geotechnical evaluation will be needed prior to any layouts or design related to this task. There are significant geotechnical concerns with strong ground shaking potential as well as secondary effects such as settlement and liquefaction that accompany a design-level earthquake and smaller seismic events.

Our geotechnical consultant, Kleinfelder will conduct a desktop study that will review relevant and readily available reports, aerial photographs and geologic maps and reports that may contribute to the understanding of the site. The findings from the desktop study will be summarized in a technical memorandum together with recommendations for the work that will be needed to support the design of the demonstration facilities. Kleinfelder will complete a full geotechnical investigation that will include permitting from the Los Angeles County Department of Public Health (LACDPH) which is required for borings at a depth greater than 10 feet below the ground surface. A workplan and application will also be required to accommodate the permit. Prior to site visits and field exploration, a project specific health and safety plan will be completed. For purposes of this proposal, we have assumed that at the demonstration facility site, two (2) borings at a depth of 30 to 50 feet will be performed. Soil cuttings from the borings will be drummed and disposed offsite. Temporary storage of the drums will be coordinated with the District. Laboratory testing of the soil samples will be performed focusing on identification and classification as well as evaluating the shear strength of the in-situ site soils. Laboratory testing will include moisture content and dry density determinations, sieve analyses, Atterberg Limits, direct shear, consolidation, maximum density determination, and R-value. The tests selected and the frequency of testing will be based on the subsurface conditions encountered. A site-specific response spectra will be developed per the requirements of ASCE 7-16. Site-specific ground motion criteria will be developed in terms of peak ground accelerations and response spectral accelerations for the subject site by using the current seismic source model for California and subsurface soil conditions at the site. A geotechnical report will be prepared for the demonstration facility site that summarizes the results of the field and laboratory investigation and presents conclusions and recommendations related to the geotechnical aspects of the project.

The design team will coordinate with Southern California Edison (SCE) to identify available power supply and options for getting power and remote access to obtain operational status of the facility.

Design and layout of the demonstration facility shall be developed and carefully coordinated with District staff, architect and K&A to ensure there is adequate space for tours and educational posters. The Stantec design team will work with the District to develop the layout of the facility and obtain consensus prior to proceeding with the design drawing and specifications. Upon completion of the draft construction documents, the package will be submitted for District's review and comment. Comments

from the District will be discussed and incorporated as appropriate. The testing will be completed using effluent from the PWRP. The Stantec Team will coordinate procurement and oversee installation of the demonstration equipment.

The summary of changes for the demonstration facility design to date include:

- Change in design basis from an outdoor canopy for process area to a dual use enclosed building that includes a visitor's / community center (with capacity of 60 persons), with appealing architectural features and outdoor garden
- Increase in flow rate capacity from 30-60 gpm to 180-240 gpm to accommodate side by side high recovery RO for full scale savings and competition.
- Testing of side by side MF membranes for competition and full scale cost savings potential
- Addition of landscaping for a conservation garden for the community
- As a whole, the above changes increased the construction cost from \$6-8M to  $\geq$ \$15M. Additional design effort has been required for the complexity and features incorporated through design development.

4. Demonstration Testing Operation - The demonstration facility will be operated by the District staff on a 24-hour per day basis and supported by The Stantec Team. The Stantec Team will train District operations staff and provide operational instructions, trouble shooting and guidance for all demonstration equipment. District staff will assist with routine operations during the day shift and will maintain the plant in operation during other shifts as coordinated by the Stantec Team. The Stantec Team will conduct all special sampling and provide a 24-hour per day contact for the District's operations staff in the event of abnormal events or emergencies. Joint operations by Stantec and the District will be provided for a period of 12 months. The scope and fees for the additional 12 months of demonstration facility operations support will be negotiated with the District and included as an amendment to this contract, if desired by the District.

5. Brine Testing Operation – Data from the demonstration facility will provide information to establish the design criteria necessary for inland brine management. Stantec's design team shall utilize the data from the demonstration facility to evaluate RO recovery, zero liquid discharge, and the equipment to enhance evaporation to establish the most cost-effective solutions for brine management and sizing the evaporation ponds. Data from this task shall be utilized in Task 12 below to develop the construction plans and specifications of the brine facilities. Results and recommendations for brine management shall be summarized in a technical memorandum complete with cost estimates for the District's review and consensus.

6. Analytical Testing – The Stantec Team will collect samples for one monthly sampling event and will send samples for analysis. Following the initial sampling, sampling will be performed by the District or contracted out. Stantec will work with the District to establish days for sampling and include the schedule for sampling and constituents to be analyzed in the demonstration test protocol as discussed in item 2 above.

7. Study Report and Project Management – Monthly status meetings summarizing the demonstration facility operational performance will be held with the District to review facility performance and address any concerns or issues. The Stantec Team will prepare the agenda, presentation and lead the monthly meeting with the District as well as submit draft and final meeting minutes. In addition, a quarterly

status report will be prepared to document plant operations and performance. Upon completion of the 12-month test period, the Stantec design team will prepare a final test report including the analytical results, analysis, conclusions of the demonstration testing and recommendations on equipment selection. The draft report shall be submitted to the District, the IAP, DDW and other stakeholders for review. Comments received will be incorporated into a final report and the Stantec Team will meet with the District to discuss equipment selection. Specific decisions to select one treatment unit over another for continued testing shall only be made after a presentation is made to District staff for their consideration.

8. Assistance during Bidding, and Construction Oversight - The consultant shall assist the District during bidding and construction and respond to requests for information and clarification submitted by the Contractor. Stantec will provide oversight during construction of the demonstration facility. Stantec will review daily reports, work progress and requests for payment from the contractor.

Deliverables:

- Monthly Agenda (24 months)
- Quarterly Report (8 quarters)
- Presentations (Two Fourth Quarter and Testing Phase Conclusion)
- Initial Layout, Transition to Learning Center, and Equipment Selection – **Completed in Year 1**
- Equipment Request for Qualifications – **Completed in Year 1**
- Equipment Purchase Bid – **Completed in Year 1**
- Bid Package (Draft and Final) – **30 percent submittal completed; Progressing 60% to be completed in Year 1**
- Testing and Monitoring Plan (Draft and Final) – **Completed in Year 1**
- Demonstration Study Report (Draft and Final)
- Geotechnical Report - **Completed in Year 1 for demonstration facility site Only**
- **Landscaping design – out of scope effort proposal submitted November 28, 2022 and approved by District.**
- **Additional out of scope effort for MWA (architectural) to design the demonstration facility building and provide renderings. Initial Scope of Work was to provide a canopy design.**
- **Increase in flow rate and project complexity to accommodate side by side high recovery RO for full scale savings and competition increased sheet count from 137 initial estimate to 192 sheets for demonstration facility design.**

**Task 12: Design Criteria Package – AWPf, Injection Wells, and Conveyance**

Following selection of the location of the AWPf, geotechnical investigations, and surveying, as well as delivery method for each project component, the Stantec Team will develop full-scale design criteria packages for the AWPf, injection wells and pipeline up to approximately 15% completion. For purposes of preparing the scope and budget, it is assumed that all packages will be progressive design-build and

will include measurable, performance-oriented criteria, schematic drawings and specifications that will define the project enough for the DBE team(s) to complete the design and construction.

15% construction drawings will be completed for all disciplines (civil, structural, mechanical, architectural, process, electrical, plumbing, I&C). A cost loaded schedule, utilizing P6 software, used by most contractors will be prepared for each package such that the District can use it to form the basis of payment. In addition, specifications will include details to prepare site-specific safety plans and requirements for start-up and testing plan to be developed by the DBE. The following minimum tasks will be completed as part of this scope of work:

1. AWPF Criteria Package – To complete the design criteria package for the AWPF and the brine evaporation, the design team will review relevant background documents for the proposed AWPF, define key process design criteria and size the AWPF unit processes, prepare preliminary mass balances, prepare a process flow diagram for the overall AWPF as well as for each individual process including MF, RO, UV/AOP, finished product water pump station, and chemical systems, equipment lists, develop P&ID's, develop preliminary process narratives, complete surveying and prepare geotechnical studies (see note below), site plan and yard piping plans, surveying, hydraulic profile and confirm the adequacy of topographical and boundary mapping, evaluate legal, City permitting and zoning constraints, and identify permits required. Construction plans and construction specifications will be completed for all disciplines such that the project is well defined for completion by the selected DBE.

2. Groundwater Injection Wells Design Criteria Package – To complete the design criteria package for the injection wells, our subconsultant, GEI and the Stantec design team will review relevant background information, review the geotechnical report(s) for the well site(s), and findings from the hydrogeological modeling to develop technical specifications and 15% construction drawings to define the project for use for bidding and selection of the DBE.

3. Pipeline Alignment Design Criteria Package – To complete the design criteria package for the recycled water pipeline, Stantec's conveyance team will review the pipeline alignment, existing utility record drawings, geotechnical report and prepare 15% drawings that will identify pipeline alignment, existing utilities and establish pipeline depth for bidding and selection of the DBE. Note that investigations completed for this proposal by our geotechnical subconsultant Kleinfelder indicated that there is an active seismic fault along portions of the conveyance alignment. Based on Kleinfelder's initial investigation, this may require a fault rupture hazard evaluation which would likely require fault trenching which will be a significant expense to the District and has not been included in our scope or fee. We have included in our scope of work, the geotechnical desktop study, investigation, lab testing, permitting, traffic control, engineering analysis that will support the pipeline design and summarized in a geotechnical report for use by the design and DBE team. We recognize the need to complete the surveying for a complete project, additional information to prepare a relevant scope of work and reasonable estimate to complete for the surveying will require that the specific pipeline alignment, well site(s) be determined as this will determine the limits of construction and if boundary surveys will be required. Once the project is further defined, Stantec's subconsultant David Farrell will prepare a detailed scope and fee for the remaining surveying portions of the work and submit to the District for review.

Deliverables:

- AWP Design Criteria Package (Draft and Final)
- Groundwater Injection Wells Design Criteria Package (Draft and Final)
- Pipeline Alignment Design Criteria Package (Draft and Final)
- Geotechnical Report for the AWP site and pipeline alignment (does not include geotechnical evaluation at the brine ponds)

### **Task 13: Program Management Document Review**

The following items will be completed under this task:

1. Independent Technical Review –Stantec will implement its rigorous QA/QC program based on the ISO 9001 certification that is required on all of Stantec’s projects. Per this system, every project deliverable must undergo an independent technical review from members on the PRWAP team that are not involved or providing technical oversight on the design. All deliverables including studies, permit and funding applications, models, reports, cost estimates, bridging documents and design deliverables prepared by subconsultants as well as Stantec staff will be independently reviewed by experts in their disciplines.

Reviews will focus on missing information, adherence to regulatory requirements, and constructability. Comments on documents and redlines from the independent reviewers will be maintained in a comment log and backchecked that they have been incorporated. Stantec will provide the District with redlines, redline back-checks and the comment and response log.

#### Deliverables:

- Comment and Response Log - **Ongoing**
- Redlines and redline back-checks (as requested) - **Ongoing**

### **Task 14: Independent Advisory Panel**

Stantec will coordinate with the District and NWRI to identify a team of academics and industry experts with relevant water augmentation experience to form an independent advisory panel (IAP) to evaluate the technical, scientific, and regulatory aspects of the demonstration project, approve the demonstration test plan and provide input during demonstration testing and ultimately, the Project Plan. The IAP shall meet at critical junctures of the project where decisions or conclusions are being determined for next steps. Stantec’s priorities within this task include:

1. Identify Panelists –The Stantec PM team will work with NWRI and District to identify and propose a preliminary team to participate in the IAP and work with NWRI to coordinate and enlist panel members.

2. Workshop 1 – The Stantec PM and design teams will prepare and provide the pre-read documents to prepare the IAP in advance of Workshop 1 to review the results of the alternatives analysis as included in the feasibility study for the preliminary, groundwater modeling, results, and the demonstration facility design and test plan. The Stantec Team will work with the District to prepare and develop content for a full, one-day workshop to present the project alternatives, groundwater modeling results, demonstration facility and associated test plan. Meeting participants shall include the IAP, District,

LACSD 20, DDW, RWQCB and the Stantec Team. Stantec shall lead the workshop and answer technical questions from meeting participants. Direction and recommendations received in writing from the IAP will be incorporated into the project as appropriate.

3. Meeting – A conference call or meeting will be held mid-way through the demonstration testing to solicit input on technical and/or regulatory hurdles. Content prior to the meeting shall be provided by the Stantec Team to the IAP. Stantec shall coordinate the meeting with NWRI, work with District to develop content and lead the call/workshop. Direction and recommendations received in writing from the IAP will be incorporated into the project as appropriate.

4. Workshop 2 – Working with the District, the Stantec Team will prepare and provide the pre-read documents to prepare the IAP in advance of Workshop 2 to review the preliminary results of the demonstration facility and final groundwater modeling results. The Stantec Team will work with the District to prepare and develop content for a full, one-day workshop to present the results. Meeting participants shall include the IAP, District, LACSD 20, DDW, RWQCB and the Stantec Team. Stantec shall lead the workshop and answer technical questions from meeting participants. Direction and recommendations received in writing from the IAP will be incorporated into the project as appropriate.

Deliverables:

- Identify panelists and coordinate with NWRI – **Completed in Year 1**
- Materials and Presentation for Workshop 1 – **Completed in Year 1**
- Materials and Presentation for meeting – **Completed in Year 1**
- Materials and Presentation for Workshop 2 to present final findings
- Attend two one-day IAP workshops
- Attend one additional workshop or conference call midway through demonstration and pilot well testing

**Task 15: Cost Estimating and Scheduling**

Stantec and its subconsultants will prepare an engineer's estimate of probable construction costs for the demonstration facility, full-scale AWWP, groundwater injection wells and conveyance system. Cost estimates shall be based on the 15% design, quotes obtained from vendors and information available on current construction costs. Cost estimates shall be an AACE level 4 cost estimates. The master program schedule utilizing Smartsheet prepared in Task 2 shall be updated with cost loaded information as it becomes available at milestone completion.

Deliverables:

- Engineer's estimate of probable construction costs for Demonstration Facility **Ongoing**
- Engineer's estimate of probable construction costs for AWT Facility
- Engineer's estimate of probable construction costs for Injection Wells and Conveyance
- Updated Master Program Schedule (included under Task 1) **Ongoing**



# BOARD MEMORANDUM

**DATE:** November 13, 2023

**TO:** **BOARD OF DIRECTORS**

**FROM:** Mr. Scott Rogers, Engineering Manager

**VIA:** Mr. Adam Ly, Assistant General Manager  
Mr. Dennis D. LaMoreaux, General Manager

**RE:** ***CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 23-19 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE DISTRICT'S APPLICATION TO THE CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES FOR FUNDING FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES FOR FEDERAL FISCAL YEAR 2023 FOR THE DESIGN AND CONSTRUCTION OF THE PURE WATER ANTELOPE VALLEY (AV) FULL SCALE PROJECT. (UP TO \$50,000,000 POTENTIAL REVENUE – ENGINEERING MANAGER ROGERS)***

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## **Recommendation:**

Staff recommends the Board:

1. Approve a resolution for submitting a grant application to the California Governor's Office of Emergency Services (CalOES) for funding from the Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) for Federal Fiscal Year 2023;
2. Approve the grant applications requesting up to \$50 million to complete the design and construction of the Pure Water AV Full Scale Project (Project);
3. Commitment to fund its local share of the engineering and construction cost of the Project; and
4. Authorize the General Manager or his designee to sign and transmit the grant application to California's Governor's Office of Emergency Services (Cal OES).

## **Alternative Options:**

The Board can choose not to apply for the grant funding.

## **Impact of Taking No Action:**

There will be no potential to receive this grant funding.

**Background:**

While the BRIC program is administered by Cal OES, the grant funds originate from the Federal Emergency Management Agency (FEMA) and were enabled by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988. The act has aided communities impacted by natural disasters throughout California in recent years. The Act also dedicates a portion of grant funds for preventative efforts to mitigate the effects of drought.

Many of the State's existing reservoirs can no longer hold the water needed to meet state-wide needs. California's climate patterns have already shifted to reduce total annual water storage; even while heat, drought, wildfire, and population growth have increased water demand. This past decade, entire California communities have repeatedly been left without adequate fresh water, forcing drastic emergency restrictions and expensive emergency water trucking. Every community has reduced per capita consumption, many to painful levels. Unless we significantly increase water storage capacity, California will lose local communities to a lack of fresh water, and ongoing droughts will deepen social vulnerabilities and income disparities in all our communities. The first and hardest hit populations are always our most socially vulnerable: economically disadvantaged communities, immigrant communities, and communities of color.

This project has components that add new water storage by adding nature-based water storage infrastructure combined with an advanced water purification system to put recycled water to the high beneficial use – for human consumption. BRIC and matching funds will be used to build an advanced water purification facility, injection wells, and related project components. The project will store up to 5,325 acre-feet (AF) of water within the Antelope Valley aquifer.

The grant application requires that the Board of Directors approve a resolution that the District make a good faith effort to enter into a cooperative agreement for the receipt, and administration of said grant funds and make the commitment of the remaining funding.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 1 – Water Resource Reliability.

This item directly relates to the District's Mission Statement.

**Budget:**

There is no impact on the budget for preparing the Resolution, and the District has the potential to receive grant funding.

**Supporting Documents:**

- Resolution No. 23-19



**RESOLUTION NO. 23-19**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT AUTHORIZING THE DISTRICT'S APPLICATION TO THE CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES FOR FUNDING FROM THE FEDERAL EMERGENCY MANAGEMENT AGENCY BUILDING RESILIENT INFRASTRUCTURE AND COMMUNITIES FOR FEDERAL FISCAL YEAR 2023 FOR THE DESIGN AND CONSTRUCTION OF THE PURE WATER ANTELOPE VALLEY (AV) FULL SCALE PROJECT**

**WHEREAS**, Palmdale Water District is a municipal water district established pursuant to Section 71000 et seq. of the California Water Code.

**WHEREAS**, water supply in the Palmdale area is facing a growing list of challenges associated with regulatory cutbacks on State Water Project deliveries, Bay-Delta instability, climate change, aging infrastructure, and growing population; and

**WHEREAS**, the United States Federal Emergency Management Agency under the Building Resilient Infrastructure and Communities (BRIC) Projects Grant makes funding available to qualifying applicants through the Governor's Office of Emergency Services (CalOES); and

**WHEREAS**, the Board of Directors of the Palmdale Water District has identified two projects that exemplify the objectives of the BRIC Grant in the design and construction of Pure Water AV Full Scale; and

**WHEREAS**, Palmdale Water District agrees to the administration and cost-sharing requirements of the WaterSMART Grant criteria.

**WHEREAS**, Palmdale Water District has the financial capacity to provide a commitment of remaining funding as required by the BRIC Grant.

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

**SECTION 1.** Palmdale Water District is hereby authorized to receive if awarded, the Federal Emergency Management Agency Building Resilient Infrastructure and Communities (BRIC) Projects for 2023 grant funding in an amount up to \$50,000,000 and will make a good faith effort to enter into a cooperative agreement with Reclamation for the receipt and administration of said grant funds.

**SECTION 2.** The General Manager, Dennis LaMoreaux, or his designee, is hereby authorized to take any and all actions that may be necessary for the completion and execution of the project

agreement and to take any and all other actions that may be necessary for the receipt and administration of the grant funding in accordance with the requirements of the Federal Emergency Management Agency.

**SECTION 3.** This resolution officially becomes a component part of the Palmdale Water District's grant application.

**SECTION 4.** The Board of Directors has reviewed and supports the application to be submitted.

**SECTION 5.** Palmdale Water District has the financial capacity to provide the amount of funding and/or in-kind contributions specified in the grant application funding plan.

**SECTION 6.** This Resolution shall be effective as of the date of adoption.

### **CERTIFICATION**

**PASSED, APPROVED and ADOPTED** by the Board of Directors of Palmdale Water District this 13<sup>th</sup> day of November, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

APPROVED AS TO FORM:

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Aleshire & Wynder, LLP, General Counsel



# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Mr. Dennis Hoffmeyer, Finance Manager/CFO  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 23-20 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT REGARDING ITS INTENTION TO SEEK REIMBURSEMENT IN CONNECTION WITH THE ISSUANCE OF TAX-EXEMPT WATER REVENUE BONDS BY THE PALMDALE WATER DISTRICT PUBLIC FINANCING AUTHORITY. (POTENTIAL REVENUE THROUGH REIMBURSEMENT OF LOANS – FINANCE MANAGER HOFFMEYER)***

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## **Recommendation:**

Staff recommends the Board adopt Resolution No. 23-20 being a Resolution of the Board of Directors of the Palmdale Water District Regarding its Intention to Seek Reimbursement in Connection with the Issuance of Tax-Exempt Water Revenue Bonds by the Palmdale Water District Public Financing Authority.

This is in conjunction with the future subordinate bond issue that will be brought to the Board for consideration in January/February 2024.

## **Alternative Options:**

The Board can choose not to approve Resolution No. 23-20.

## **Impact of Taking No Action:**

The impact of taking no action would restrict the District's ability to reimburse the General Fund and/or Water Supply Fund for costs associated with certain projects from any proceeds from the sale of Obligations for such projects.

## **Background:**

The District desires to finance the costs of acquiring and constructing certain capital facilities, improvements, and equipment as provided in Exhibit A of the attached Resolution. Before the issuance of the Obligations, the District may incur certain expenditures with respect to the project(s) from available monies of the District, which expenditures are desired to be reimbursed by the District from a portion of the proceeds of the sale of the Obligations. The total of the Obligations for all projects is not to exceed \$22,000,000.

This Resolution will allow reimbursement of expenses over the past 60 days as well as covering expenses over the next 18 months or until the Obligations are sold. The reimbursement must be made within 3 years after the project is complete.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 4: Financial Health and Stability

This item directly relates to the District's Mission Statement.

**Budget:**

This item is not related to any budget number.

**Supporting Documents:**

- Resolution No. 23-20

**RESOLUTION NO. 23-20**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE  
WATER DISTRICT REGARDING ITS INTENTION TO SEEK  
REIMBURSEMENT IN CONNECTION WITH THE ISSUANCE OF  
TAX-EXEMPT WATER REVENUE BONDS BY THE PALMDALE  
WATER DISTRICT PUBLIC FINANCING AUTHORITY**

WHEREAS, the Board of Directors of the Palmdale Water District (the “Issuer”) desires to finance the costs of acquiring certain public facilities and improvements, as provided in Exhibit A attached hereto and incorporated herein (the “Project”);

WHEREAS, the Issuer intends to finance the acquisition of the Project or portions of the Project with the proceeds of the sale of obligations by the Palmdale Water District Public Financing Authority the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

WHEREAS, prior to the issuance of the Obligations the Issuer desires to incur certain expenditures with respect to the Project from available monies of the Issuer which expenditures are desired to be reimbursed by the Issuer from a portion of the proceeds of the sale of the Obligations;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose, and function of the Project, or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$22,000,000.00.

SECTION 3. This resolution is being adopted on or prior to the date (the “Expenditures Date or Dates”) that the Issuer will expend monies for the portion of the Project costs to be reimbursed from proceeds of the Obligations.

SECTION 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid. For Obligations subject to the small issuer exception of Section 148(f)(4)(D) of the Internal Revenue Code, the “eighteen-month limit” of the previous sentence is changed to “three years” and the limitation of the previous sentence beginning with “; provided, . . .” is not applicable.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer or any entity related in any manner to the Issuer, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer, as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

SECTION 9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines, and represents.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District, California, this 13<sup>th</sup> day of November, 2023, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

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Don Wilson, President

ATTEST:

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Vincent Dino, Secretary

APPROVED AS TO FORM:

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Aleshire & Wynder, LLP, General Counsel

EXHIBIT A  
DESCRIPTION OF PROJECT

Primary

1. Pure Water AV Demonstration Facility
2. Property Purchase for Future Well Site
3. Sedimentation Basin

Secondary

4. Pipeline with Velocity Deficiency (516 feet of 20" diameter pipe – 2950 Zone)
5. Pipeline with Velocity Deficiency (231 feet of 24" diameter pipe – 2950 Zone)
6. 6,000 feet of 16" diameter pipe in Fort Tejon Road
7. 1,400 feet of 8" diameter pipe in Camares Drive between Sierra Ancha Drive and Avenue S14
8. 3,000 feet of 8" diameter pipe in Pearblossom Highway
9. 5M Reservoir Rehabilitation
10. 25th Street Tank 1 Rehabilitation
11. 45th Street Tank 2 Rehabilitation
12. Booster Pump at 47th Street
13. Lake Outlet Structure Rehabilitation
14. WTP Filter Valve Replacements





# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Mr. Dennis Hoffmeyer, Finance Manager/CFO  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *CONSIDERATION AND POSSIBLE ACTION ON PURCHASE OF SENSUS SMARTPOINTS FOR 2024. (\$800,000.00 – BUDGETED – FINANCE MANAGER HOFFMEYER)*

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## **Recommendation:**

Staff recommends the Board approve the purchase of Sensus SmartPoint radios for the 2024 meter exchange project and replacement units. This purchase will include 3,402 520M SmartPoints and 486 522M SmartPoints for Itron 60W ERT replacement. This purchase will be made through Aqua-Metric and the total cost estimate is \$800,000.

## **Alternative Options:**

There is no alternative to the remote meter reading radios.

## **Impact of Taking No Action:**

Currently, we are seeing failures in the ability to read the meters electronically. This has staff manually reading each of those meters. We are also addressing an issue with stuck meters in the system that are being estimated monthly. Both processes require extensive hours for staff to complete the read processing.

## **Background:**

In October, staff started the 2023-meter exchange program. This was after significant delays in receiving the necessary product that the Board approved in April of this year. The Sensus SmartPoints have been allocated due to industry-wide demand and we have received approximately 1,750 units to date of the 3,354 units that have been ordered. Staff is trying to mitigate these delays by going to our vendor and ordering next year's units ahead of time as well as reducing some of the future price increases that will go into effect in April 2024. This will allow us to have most of the units on hand for the 2024-meter exchange project slated for around June.

The other issue staff is seeing is the failure of existing Itron 60W units that have been in use for the last 10-plus years. Since in most instances the meters are still functioning, we are looking at acquiring some replacement units to bridge the gap until the meter gets exchanged. The 522M SmartPoint, while costing more, can be used as an ERT replacement and has the TPL connector to support new meters thus saving on future radio expenses.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 1 – Water Resource Reliability.

This item directly relates to the District’s Mission Statement.

**Budget:**

The funding will be covered under the meter exchange program budget for CY 2024 and will be a capital expenditure.

**Supporting Documents:**

- Aqua-Metric – SmartPoint quotation



November 07, 2023

Aqua-Metric Sales Company

Alek Cloyd
4050 Flat Rock Dr | Riverside, CA 92505-5858
Phone: (951) 637-1400 | Facsimile: (951) 637-1500

Quote for: Palmdale Water District
Attention:
Address: 2029 E AVENUE Q
City, State, Zip: Palmdale, CA 935504038
Phone:
Email:

Attn: Dennis Hoffmeyer

Table with 4 columns: Quantity, Description, Unit Price, Line Total. Contains two rows of item details.

This quote for the product and services named above is subject to the following terms:
1. All quotes are subject to the Aqua-Metric Terms of Sales.
2. Quote is valid for thirty days.
3. If modifications in materials, labor or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
4. Freight allowed on single orders exceeding \$20,000.00.
5. Net Thirty Days to Pay.
6. Returned production may be subject to a 25% restocking fee.
7. Sales Tax and/or Freight charges are approximated and may vary on final invoice.

Summary table with 2 columns: Description, Amount. Rows include Subtotal (656,017.38), Sales Tax (62,321.65), and Total (718,339.03).



# BOARD MEMORANDUM

**DATE:** November 13, 2023  
**TO:** BOARD OF DIRECTORS  
**FROM:** Dennis D. LaMoreaux, General Manager  
**RE:** *CONSIDERATION AND POSSIBLE ACTION ON ESTABLISHING GUIDELINES FOR CHANGING ELECTRICAL SERVICE PROVIDERS FOR DISTRICT ELECTRICAL SERVICE ACCOUNTS WHEN OPTIONS ARE AVAILABLE. (GENERAL MANAGER LaMOREAUX)*

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## **Recommendation:**

The changing of an electrical supplier for electrical service accounts when an option is available between Southern California Edison (SCE) and a community choice aggregation occurs only if an approved power purchase agreement (PPA) tied to a specific electrical supplier is being implemented or a minimum estimated savings threshold of 5.0% from changing the electrical supplier is met.

## **Alternative:**

No alternative proposed.

## **Impact of Taking No Action:**

Staff will continue to evaluate the cost of electrical suppliers and move electrical service accounts to the lowest cost supplier without consideration of a minimum savings threshold or other agreements.

## **Background:**

The District's electrical service accounts are in three option groups for electrical supply:

1. SCE only
2. SCE or Energy for Palmdale's Independent Choice (EPIC)
3. SCE or Clean Power Alliance (CPA)

Groups 2 and 3 require staff to conduct an analysis to determine the best choice to control costs for our customers. Staff recently performed an analysis of twenty-two (22) electrical service accounts in Group 2 to determine where to place the accounts. The accounts include a number of large groundwater wells, the District headquarters building and maintenance shop, the Leslie O. Carter Water Treatment Plant (WTP), the Clearwell Booster Station, and four additional booster stations. The usage of these accounts totals 6,179,023 kWh in a twelve-month period.

This usage can change from year to year depending on the availability of surface water versus groundwater. However, the usage is expected to remain relatively constant due to the mix of groundwater and surface water related accounts.

The analysis showed a savings of \$8,511 over the course of a year if the accounts were changed to SCE. The total estimated electrical cost over the year is \$859,724. This makes the savings approximately 1%. Based on this analysis, staff recommended changing nineteen (19) electrical service accounts to SCE and leaving three accounts with EPIC. The change was submitted to EPIC and is currently being held while this issue is considered by the Board of Directors. SCE has also been notified of the intended change.

A separate factor for consideration in Group 2 of electrical service accounts are the two approved PPAs with DSD Renewables. These are for photovoltaic (PV) solar arrays located north of the Clearwell Booster Station between 6<sup>th</sup> Street East and the railroad, Project 1, and north of the District's maintenance yard, Project 2. They are sized at 2.9 MWh, 1225 KW DC, with battery storage and 4.8 MWh, 1761 KW DC, respectively. The notice to proceed for construction of these facilities is expected by the end of 2023. Both facilities will become operational in six to twelve months depending on supply chain issues.

Project 1 will provide PV solar power to the WTP and Clearwell Booster Station. Project 2 will provide PV solar power to some large groundwater wells and the District headquarters building at 2029 East Avenue Q. Six of the electrical service accounts in Group 2 will be served by these two Projects and PPAs. All these accounts will be required to change to SCE when the solar arrays are operational. These accounts constitute 71%, or 4,374,701 kWh, the total usage in Group 2. In other words, within a year, 71% of the usage that can be served by EPIC will be served by SCE and are required to stay with SCE for the duration of the PPAs.

This leaves 1,804,322 kWh of usage from thirteen (13) electrical service accounts in Group 2 that can be considered for continuing electrical service through EPIC. The electrical service accounts that will be served by the two PPAs represent \$6,715 of the projected savings from changing the electrical supplier from EPIC to SCE. The thirteen (13) electrical service accounts will have a savings of \$1,796 or 1.0% from changing to SCE.

**Effect of Staff Recommendation on Group 2 Accounts:**

The effect of applying the recommended guidelines to the current Group 2 electrical service accounts under consideration would be as follows:

- Electrical service accounts that are covered by the PPAs with DSD renewables, six (6) in total, would be moved to SCE due to the PPA implementations.
- The remaining electrical service accounts in Group 2, thirteen (13) in total, would stay with EPIC due to less than 5.0% in savings by moving them to SCE.

If these guidelines are approved by the Board of Directors, staff will amend the submittal to EPIC as shown above.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 3 – Systems Efficiency and No. 4 – Financial Health and Stability.

This item is directly related to the District’s Mission Statement.

**Budget:**

Approval of these guidelines may result in a decrease in operating costs.

**Supporting Documents:**

- N/A