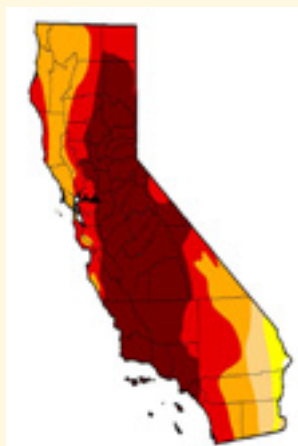


Drought Update

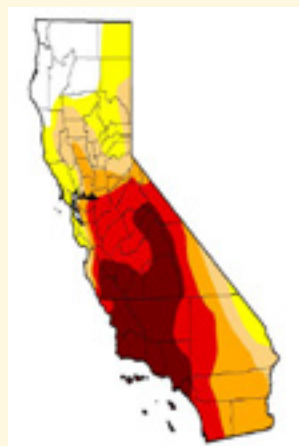
Current Restrictions

The State Water Resources Control Board lifted the mandatory watering restrictions and reduction figures due to adequate water supplies distributed by El Niño in northern California. While the ongoing drought still exists, regulators opted to give a reprieve to both local water agencies and all residents within the State. Water providers are now tasked with achieving a minimum reduction percentage but are allowing people to voluntarily reduce their water consumption. Palmdale Water District is required to reduce 15% by January 2017.

All Palmdale Water District customers can now irrigate outdoors daily (7 days a week) before 10:00 am and after 6:00 pm. Watering should be kept to a minimum, if possible, with extensive measures taken to reduce water waste. The PWD will no longer issue citations for water waste for first offenses, but rather provide a warning to correct the waste issue. If water waste does continue, the District reserves the right to fine the resident, business, municipal facility, industry, or other user.



November 2015



November 2016

Board Approves 2017 Budget

In November 2016, the Palmdale Water District Board of Directors passed a rate adjustment of 4.25%, instead of the initially proposed 5.5%. Which is equivalent to \$2.02-\$2.50 per residential household per month.

The revenue generated from the rate restructure will be spent on the continued management replacement, and improvement of our infrastructure and water delivery to the community and rate payers. Additionally, the District is investing in projects that will recharge groundwater resources in the Antelope Valley and reduce dependence on the State Water Project (California Aqueduct).

As the State's water supply continues to be uncertain from year to year, the District has focused on projects that will result in efficiency of water-supply, and water storage, to become more independent and self-sufficient.

Some of the additional revenue from this rate restructure will be used to remove that sediment and increase storage capacity by 500 acre feet. This is enough capacity to supply approximately a year's worth of water to 625 homes.

Palmdale, one of the remaining areas within Los Angeles County poised for housing growth, has potential for a population growth within the next decade. Littlerock Reservoir is the only local water storage location that captures and supplies water directly to residents in Palmdale. Since 1992, the reservoir has accumulated about 750,000 cubic yards of sediment from erosion in the upper watershed which has reduced how much water can be stored in the lake.

The District continues to offer rebate programs that reward customers for installing water efficient appliances such as low flow toilets, water saving washing machines, and smart controllers for lawn irrigation, in addition to, our successful Cash for Grass Program.

The District encourages all residents to take advantage of the different programs we offer to help you save money and the community to save water.

For more information please visit our website or our office at 2029 E Ave Q, Palmdale CA 93550.



Rate Assistance Program

Seniors aged 62 and older, veterans and low income families are getting an opportunity to receive assistance on their water bill. The Palmdale Water District is accepting applications for qualified households to receive up to 50% off their monthly service fee. Households must have a meter that is 1" or less, and be enrolled in either the Southern California Edison or Southern California Gas Company CARE program to be eligible.

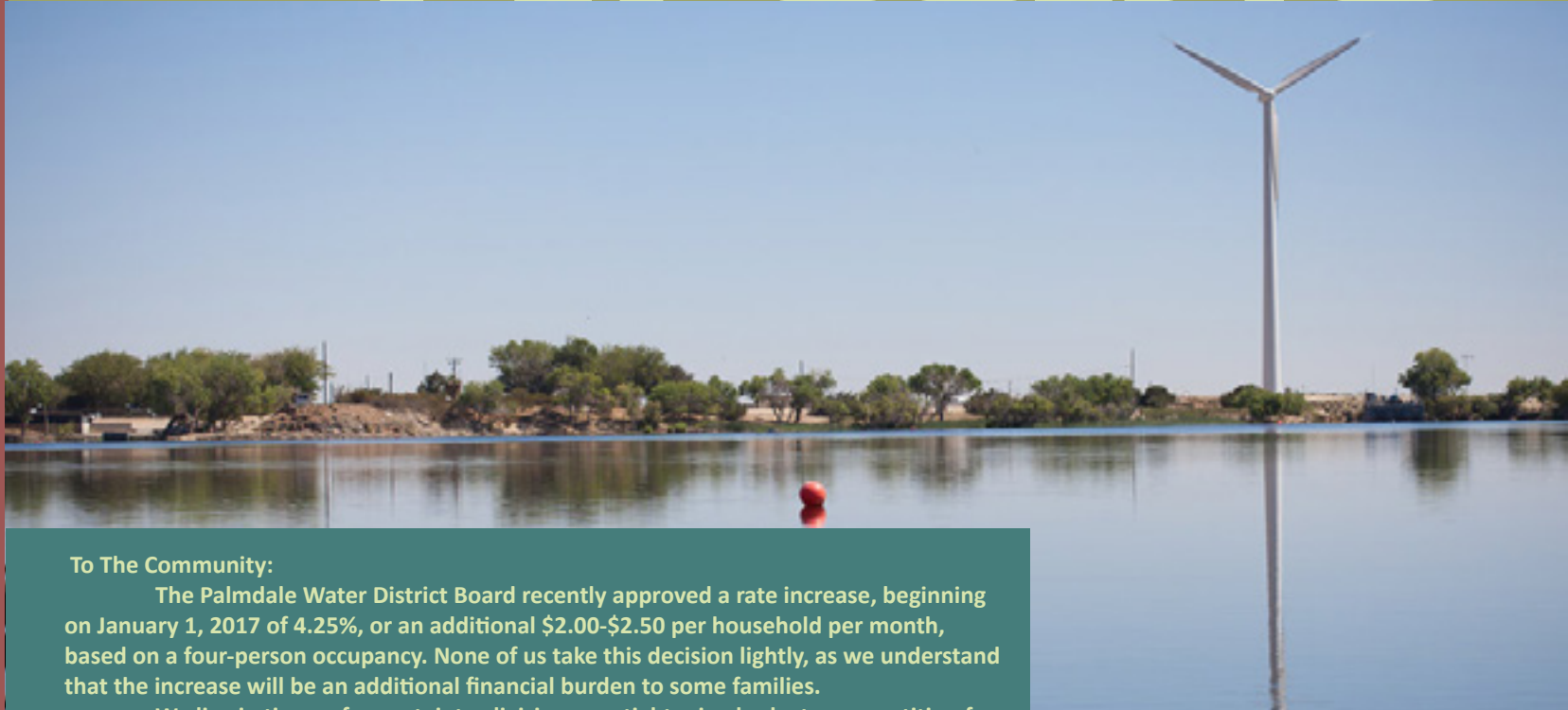
Applications are currently being accepted for aid starting in January 2017. Applicants must reapply each year or anytime a move is made. Additional information on program requirements can be found on the District website.



Palmdale Water District

December 2016

the PIPELINE



To The Community:

The Palmdale Water District Board recently approved a rate increase, beginning on January 1, 2017 of 4.25%, or an additional \$2.00-\$2.50 per household per month, based on a four-person occupancy. None of us take this decision lightly, as we understand that the increase will be an additional financial burden to some families.

We live in times of uncertainty, divisiveness, tightening budgets, competition for resources, doing more with less, and higher costs for everything that all of us spend our money on to live. The price of ensuring clean, healthy, drinkable water delivery to your home, business, industry, school, church, or any other location has also increased causing a need for all of us to give a little more.

Over the past several years District policy and its employees have deferred cost of living increases into retirement, severely limited new-hires, reduced benefit packages, and rewarded raises based on performance rather than time spent in a position which has helped reduce rate payer costs to well over \$300,000 annually.

After the recent passage of the 2017 Annual Budget the District has lowered departmental expenditures over \$575,000 by reducing travel and conference expenses, minimizing wants and keeping only what we need to best serve the community, prioritizing projects while continuing to fund programs that benefit our low-income families, and reducing our elected Board stipends by \$50,000.

If you are being asked to give more.... So should we. We know that nothing is easy and that everything is earned. We understand your challenges and strive to earn your trust. Our commitment to you has, and will always be, to provide you the best possible water at the most reasonable cost. We want to be part of making a great community even better.

In the coming year, the District will be more active in the community through our Outreach program to engage with our residents so we can learn how to better serve you.

Low-income families can already take advantage of our Rate Assistance Program which assists in reducing monthly water bills, in addition to, rebate programs on water saving appliances. If your home has more than four people living there, you can apply for an increase in water allocation through our Water Variance Program.

The District has been here for nearly 100 years. Our community has seen great growth and a great recession. We have all adapted to the challenges and difficulties that life has laid at our doorstep. We have done this together, and we will continue to do this; united. On behalf of the Palmdale Water District; Thank you for everything!

Sincerely,

The Palmdale Water District Staff



Board Meetings Juntas Directivas

January 11, 2017 @ 7pm

January 25, 2017 @ 7pm

February 8, 2017 @ 7pm

February 22, 2017 @ 7pm

March 8, 2017 @ 7pm

March 22, 2017 @ 7pm

April 12, 2017 @ 7pm

April 26, 2017 @ 7pm

Un intérprete en español estará disponible para ayudar al público hacer comentarios durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva.

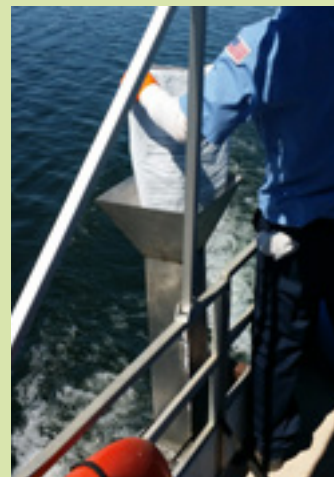
661-947-4111 x1003

661-947-4111 | palmdalewater.org



Palmdale Water District Highlights of 2016

- Completed two main line pipe replacements totaling 2,380 ft of new pipe.
- Installed 60 ft of ductile iron fireline to the Four Points swap meet.
- Replaced a fire hydrant and mainwater feed to Palmdale High School.
- Rehabilitated four groundwater wells and returned them to full service.
- Installed new flow meters at all groundwater well sites to accurately measure water extraction.
- Maintained all District electrical and SCADA system operations to ensure compliance with industry standards.
- Completed Triannual sampling of all groundwater wells to ensure water quality.
- Managed and kept algae blooms down in Lake Palmdale with a new Liquid Copper Sulfate treatment to maintain and provide the best water quality.
- Replaced 3,300 water meters.
- Replaced 3 miles of water lines.
- Repaired the slide gate at Palmdale Lake.
- Hosted first Town Hall Forum
- Installed video boards in PWD lobby
- Hosted the Imagine a Day Without Water Tour.
- PWD internship program continue to provide professional opportunities for Antelope Valley students.
- Prioritized outreach to the Palmdale Latino community.



Scott Mahoney, Operations Technician II. Who was awarded H.R La Bounty Award.

- Completed audit for the calendar year 2015 and passed the budget for 2017
- Maintained an A+ bond rating with Standard & Poor's.
- Increased water conservation outreach.
- Continued the popular Cash for Grass Program.
- Continued to manage and optimize GAC successfully which provides great savings for the District and customers.
- Began preliminary work with a new software program that helps organize water samples and testing results.



Our Water Footprint (November 2016)

Water Used District Wide – 398,306,260 gallons

Water consumed per person per day – 128 gallons

Water Available in Littlerock Reservoir - 0 acre/feet

YTD Cash for Grass Dollars – \$31,160.50

YTD Total Square Feet of Grass Removed – 19,583 sq. ft.

YTD other Rebate Programs Total Dollars Paid Out – \$15,940

Connect With Us!

 Palmdale Water District

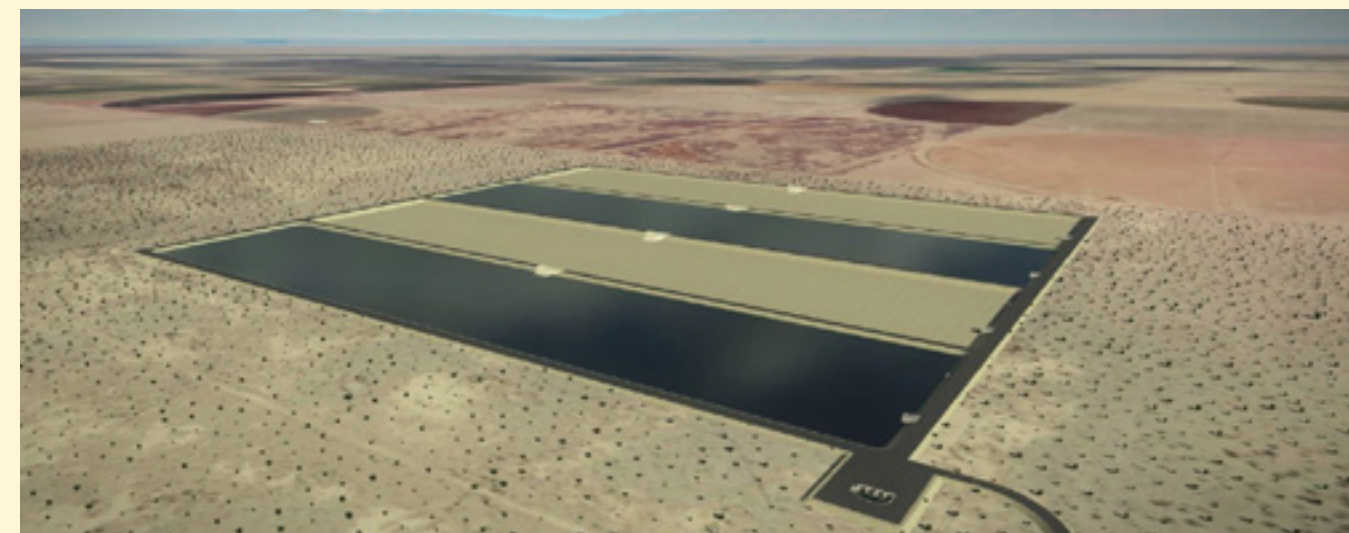
 @Palmdale H2O

 @Palmdale H2O

 Palmdale Water District



Palmdale Water District Regional Recharge and Recovery Project



The overarching goal of the Palmdale Regional Recharge and Recovery project is to investigate the feasibility of a groundwater banking, storage, and extraction program on behalf of the Palmdale Water District. The selected project alternative will help meet future water demands and improve water supply reliability. New facilities will be constructed to recharge and recover State Water Project (SWP) water as well as recycled water. Infrastructure will include new spreading grounds to recharge water as well as recovery facilities. Surplus SWP water and recycled water will be stored during wet years and recovered during dry years, providing more complete utilization of SWP water and recycled water production.

Based on water supply and growth projections, at the current rate of consumption, our water supply could be running at a deficit by 2021. Planning ahead and accomplishing this project would prevent that deficit from occurring.

The recommended project alternative not only provides PWD with a reliable water supply solution for the foreseeable future, but also provides the most cost-effective solution when analyzed over a long-term period.

Littlerock Sediment Removal Project



The proposed action is to construct a concrete grade control structure within Littlerock Reservoir, haul sediment from behind the dam to nearby quarry sites, and maintain the storage capacity through annual sediment removal. The US Forest Service would approve the project on National Forest System lands by issuing an amendment to the existing Special Use Permit for Littlerock Dam and Reservoir.

The initial sediment removal period would take place during the time period of 2017 to 2024. Approximately 1,165,000 cubic yards of accumulated sediment will be removed from within the reservoir basin. This will restore the reservoir to the 1992 design water storage and flood control capacity. This will restore the reservoir storage lost by sediment accumulation by about 1,300 acre-feet. Following the initial sediment removal period, annual sediment removal of 38,000 cubic yards per year will be needed to maintain the increased storage capacity.

