



# PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

## 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

March 22, 2023

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

MONDAY, MARCH 27, 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 (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 carry out its meeting will not be permitted, and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

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

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

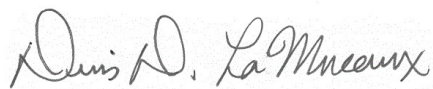
DENNIS D. LaMOREAUX  
General Manager

ALESHIRE & WYNDER LLP  
Attorneys



- 5) Presentations:
  - 5.1) None at this time.
- 6) Action Items - Consent Calendar (The public shall have an opportunity to comment on any action item on the Consent Calendar as the Consent Calendar is considered collectively by the Board of Directors prior to action being taken.)
  - 6.1) Approval of Minutes of Regular Board Meeting held March 13, 2023.
  - 6.2) Payment of Bills for March 27, 2023.
  - 6.3) Approval to Declare District Equipment and Furniture as Surplus Property. (Potential Revenue – Assistant General Manager Ly/Resource and Facilities Committee)
- 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 Agreement with Reeb Government Relations for State Lobbying Activities. (Assistant General Manager Ly/Outreach Committee)
  - 7.2) Consideration and Possible Action on Revised Contract Services Agreement for General Counsel Services between the District and Aleshire & Wynder, LLP. (General Counsel Trindle/Legal Services Ad Hoc Committee)
  - 7.3) Consideration and Possible Action on Rejecting Bids Received for the Well 36 Equipping Project. (No Budget Impact – Engineering Manager Rogers)
  - 7.4) Consideration and Possible Action on Approval of Resolution No. 23-4 Being a Resolution of the Board of Directors of the Palmdale Water District Approving Waiver of District Procurement and Purchasing Policy. (No Budget Impact – Engineering Manager Rogers)
  - 7.5) Consideration and Possible Action on Letter of Intent with Barrel Springs Farms for the Protection of Palmdale Ditch. (General Manager LaMoreaux)
  - 7.6) Consideration and Possible Action on Formation of an Ad Hoc Committee for Development of the General Manager Recruitment Process. (Director Dizmang)
  - 7.7) Consideration and Possible Action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance within Budget Amounts Previously Approved in the 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) – March 14. (Director Dino, Board Liaison/Director Mac Laren-Gomez, Alt.)

- 2) Outreach Committee Meeting – March 15. (Director Mac Laren-Gomez, Chair/Director Dizmang)
  - 3) Palmdale Fin & Feather Club – March 18. (Director Dizmang, Board Liaison/President Wilson, Alternate)
  - 4) Palmdale Recycled Water Authority (PRWA) – March 20. (Director Dino/President Wilson/Director Mac Laren-Gomez, Alt.)
  - 5) Finance Committee Meeting – March 21. (President Wilson, Chair/Director Mac Laren-Gomez)
  - 6) Resource and Facilities Committee Meeting – March 22. (Director Dino, Chair/Director Kellerman)
  - 7) Special District Association North Los Angeles County (SDANLAC) Board Meeting – March 16. (Director Dino, CSDA Chapter Chair/Director Dizmang)
- b) General Meetings Reports of Directors.
- 8.2) Report of General Manager.
- a) March 2023 Written Report of Activities through February 2023.
  - b) Department Activity Updates:
    - 1) Engineering Department. (Engineering Manager Rogers)
    - 2) Operations Department. (Operations Manager Masaya)
- 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

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

**DATE:** March 22, 2023 **March 27, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Adam Ly, Assistant General Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 6.3 – APPROVAL TO DECLARE DISTRICT EQUIPMENT AND FURNITURE AS SURPLUS PROPERTY. (POTENTIAL REVENUE – ASSISTANT GENERAL MANAGER LY/RESOURCE AND FACILITIES COMMITTEE)***

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**Recommendation:**

Staff and the Resource and Facilities Committee recommend that the following District equipment and furniture be declared as surplus property:

- 1) Waukesha 8 cylinder 365 Hp Natural Gas Engine and 200 Kw A/C Generator (WTP Original Emergency Generator)
- 2) V-086 2004 GMC TC7500 Dump Truck
- 3) Miscellaneous Furniture

**Alternative Options:**

The Board can choose to continue to hold on to the generator and furniture.

**Impact of Taking No Action:**

There will be a continued loss of value.

**Background:**

The Waukesha 8 cylinder 365 Hp Natural Gas Engine and 200 Kw A/C Generator is past its useful service life and has been replaced. The V-086 2004 GMC TC7500 Dump Truck is past its useful service life and has been replaced. The miscellaneous furniture has been replaced with newer furniture. It is recommended that these items be declared as surplus.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 3 – Systems Efficiency.  
This item directly relates to the District’s Mission Statement.

**Budget:**

These items will result in revenue for the District.

**Supporting Documents:**

None.

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** March 22, 2023 **March 27, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Adam Ly, Assistant General Manager  
**VIA:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON AGREEMENT WITH REEB GOVERNMENT RELATIONS FOR STATE LOBBYING ACTIVITIES. (BUDGETED – NOT-TO-EXCEED \$184,000.00 – ASSISTANT GENERAL MANAGER LY)*

**Recommendation:**

Staff and the Outreach Committee recommend the Board approve an agreement with Reeb Government Relations to advocate on behalf of Palmdale Water District in California State Legislature.

**Alternative Options:**

There are no alternatives.

**Impact of Taking No Action:**

The District will have limited support for projects at State level.

**Background:**

The Board approved an agreement with Puente Basin Water Agency (PBWA) and Valley County Water Agency (VCWA) on April 22, 2019, to have Reeb Government Relations advocate for the group. Since then, Reeb Government has helped the District with 32 bills and the State’s annual budget assessment. The District is working on requesting funding assistance from the State government to help build the Pure Water AV Project. Reeb Government can help coordinate the funding request and work with legislators for support.

In addition, Reeb Government will assist the District in the development and implementation of our State Advocacy Strategic Plan and coordinate our interaction with State Legislature offices. The District’s goal is to gain visibility for the Antelope Valley and funding assistance for our projects.

If approved, Palmdale Water District will terminate its agreement with PBWA and VCWA. We will then have an agreement directly with Reeb Government to provide full-service advocacy. Attached is the proposal outlining the activities that Reeb Government will perform to help the District obtain funding for our projects.

**Strategic Plan Initiative/Mission Statement:**

This item is under Strategic Initiative No. 5 – Regional Leadership.

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

**Budget:**

Budget Line No. 1-02-5070-007 - Consultants

**Supporting Documents:**

- Reeb Government Relations Proposal



## REEB GOVERNMENT RELATIONS

January 10, 2023

Mr. Adam Ly, Assistance General Manager  
Palmdale Water District  
2029 East Avenue Q  
Palmdale, California 93550

Re: Proposal for California State Advocacy Services

Dear Mr. Ly:

I am pleased to submit the following proposal for California State Advocacy Services on behalf of Reeb Government Relations, LLC. My firm has been honored to represent many urban retail water suppliers since 2005 and looks forward to an opportunity to expand on its current work on behalf of the District.

More local water agencies in California trust Reeb Government Relations to represent them in the State Capitol than any other lobbying firm. Our public water sector clients cover the full range of services including urban retail water suppliers, farm water suppliers, wastewater treatment operators, recycled water producers, small hydroelectric generators, groundwater managers, flood control, dam owners and operators, and more.

No other registered lobbyist in Sacramento can match my experience and expertise in water resources policy and management. My professional experience includes work as a journalist, legislative aide and policy committee consultant, water agency manager, municipal securities representative specializing in water and sewer finance, and the lead lobbyist for the Association of California Water Agencies for 10 years.

I am confident in the ability of Reeb Government Relations to produce meaningful results for Palmdale Water District.

Sincerely,

Robert J. Reeb

## Introduction to the Firm

Reeb Government Relations is one of the preeminent Sacramento lobbying firms in the subject matter areas of natural resources, local government, and military and veterans law, with an emphasis on water resources policy and management.

More local water agencies in California trust Reeb Government Relations to represent them in the State Capitol than any other lobbying firm. Our public water sector clients cover the full range of services including urban retail water suppliers, farm water suppliers, wastewater treatment operators, recycled water producers, small hydroelectric generators, groundwater managers, flood control, dam owners and operators, and more.

Firm principal Bob Reeb established Reeb Government Relations in January 2005 to assist public sector clients with policy analysis, issues management, and California legislative and regulatory advocacy. The firm has four full-time employees in addition to Mr. Reeb. Raquel Ayala Vargas, Seth Reeb and Dana Nichol are registered lobbyists. Kenneth McKelvie provides research, communications, and support services.

Our firm currently represents two State Water Contractors (SWC) in Sacramento—Desert Water Agency and Solano County Water Agency. Therefore, we are involved in issues affecting the State Water Project and we participate in SWC staff briefings for Contractor lobbying firms. Our firm has worked closely with SWC staff and lobbyist colleagues to influence the course of the state budget and legislation of interest to the SWC.

Current clients of the firm include:

- Ag Partners Capital, LLC
- American Legion, California Department
- AMVETS, California Department
- California Accredited Law Schools
- California Association of County Veterans Service Officers
- California Central Valley Flood Control Association
- California State Commanders Veterans Council
- Desert Water Agency
- El Dorado Irrigation District
- Elsinore Valley Municipal Water District
- Maritime Museum of San Diego
- Military Officers Association of America, California Council of Chapters
- Pacific Association of Building Services Contractors
- Palmdale Water District
- Puente Basin Water Agency
- Rowland Water District
- Solano County Water Agency
- Sutter Butte Flood Control Agency
- Valley Ag Water Coalition



- Vietnam Veterans of America, California State Council
- Walnut Valley Water District
- Water Replenishment District of Southern California

## Personnel Assigned to the District

Reeb Government Relations will assign the following staff to perform the scope of work for Palmdale Water District:

*Robert J. Reeb*

Mr. Reeb will serve as the lead firm member assigned to the District.

Bob Reeb relies on over 40 years of public policy, management, and finance experience to lead Reeb Government Relations, LLC, a lobbying firm he established in January 2005 to assist public sector clients with policy analysis, issues management and California legislative and regulatory advocacy. Mr. Reeb has a unique professional background with experience in journalism, water policy analysis, water agency management, public finance investment banking, and issue advocacy. His experience in public water and wastewater systems at the local government level is unmatched by any lobbyist practicing in Sacramento.

Mr. Reeb served as the State Legislative Director for the Association of California Water Agencies from August 1995 through December 2004, representing the interests of the Association's 450 special district and municipal members before the California Legislature, the Governor's office and the Executive Branch agencies, departments, and commissions. While with ACWA, he participated in the development of many impressive coalitions in order to pursue the Association's legislative agenda more successfully. ACWA's State Legislative Department was recognized by the American Society of Association Executives for its 1996 effort to secure passage of SB 900, which state voters later approved as Proposition 204. Mr. Reeb received the 1999 Gordon Cologne Award from the WaterReuse Association of California for "outstanding achievement in promoting or increasing the use of recycled water in the State of California."

Mr. Reeb worked seven years for the California Assembly for Assembly Member Jim Costa, serving five years as senior consultant to the Water, Parks & Wildlife Committee, specializing in water resources policy development and analysis. He assisted Assembly Member Costa in the enactment of significant legislation, including the Water Conservation and Water Quality Bond Law of 1986 (Proposition 44), the Water Conservation Bond Law of 1988 (Proposition 82), and the Costa-Isenberg Water Transfer Act. It was during this time that Mr. Reeb also was elected to the Dixon City Council, serving one term in office. Mr. Reeb represented Dixon on the Solano County Transportation Commission, Association of Bay Area Governments, and Solano Economic Opportunity Council.

Mr. Reeb managed the El Dorado County Water Agency from 1989 to 1993, when the

agency was active in long range water planning and securing water rights. The Agency received a 1992 National Achievement Award from the National Association of Counties for negotiating an innovative water rights permit processing agreement with the State Water Resources Control Board. From 1993 to 1995, Mr. Reeb was a licensed municipal securities representative and worked for two regional investment banking firms where he focused on water and sewer finance.

As a registered lobbyist in Sacramento for nearly 25 years. Mr. Reeb has proven his ability to maintain open and positive communication with legislators, legislative staff, and high-level state agency personnel without regard to party affiliation. He is well-known to statewide trade and professional association colleagues.

Mr. Reeb holds a Bachelor of Arts degree in Political Science-Public Service from the University of California, Davis.

### *Raquel Ayala Vargas*

Ms. Ayala will work on behalf of the District under the direction of Mr. Reeb, providing full services to the District as a registered lobbyist.

Raquel Ayala Vargas joined Reeb Government Relations as a legislative assistant in 2010, having previously gained valuable experience as a legislative intern with former Senator Curren Price (D-Los Angeles). She registered as a lobbyist in 2018 following graduation from Lincoln Law School in Sacramento and is a member of the California State Bar.

Ms. Ayala is responsible for tracking, monitoring, and reviewing the status of legislation that is of interest to the firm's clients. She assists the firm in monitoring and summarizing legislative committee hearings, as well as legislative actions on bills. She conducts legal research and analysis, engages in written and oral communication with clients and legislative offices on a regular basis, and schedules appointments and assists in organizing visits for clients with legislators, legislative staff, and executive branch personnel. She also has experience working on state budget issues for clients of the firm.

Ms. Ayala is bilingual, speaking and writing Spanish and English.

Ms. Ayala earned her undergraduate degree from California State University, Sacramento with a double major in Government and Journalism.

### *Kenneth McKelvie*

Kenneth McKelvie joined Reeb Government Relations in 2021 providing client support, communications, and support services.

Mr. McKelvie will be responsible for tracking, monitoring, and reviewing the status of legislation on behalf of WRD. He will assist Mr. Reeb and Ms. Ayala Vargas in monitoring, summarizing, and reporting on legislative actions on bills, and on

regulatory and related executive branch notices, as well as grant and loan proposal solicitation notices.

Mr. McKelvie earned a Master of Science in Communications from University of San Francisco in 2022. He earned dual Bachelor of Science degrees in 2016 from Pacific Union College in Business Administration; and History, Political Studies, and Ethics.

## Proposed Scope of Work

The mission of Palmdale Water District is to provide high-quality water to its current and future customers at a reasonable cost. It's Vision Statement, to "strive for excellence in providing great customer care; advocating for local water issues that help our residents; educating the community on water-use efficiency; and leading our region in researching and implementing emerging technologies that increase operational efficiency."

The District covers about 187 square miles in northeastern Los Angeles County, consisting of more than 30 non-contiguous areas scattered throughout the Antelope Valley. The District's primary service area is within the City of Palmdale's planning area. The distribution system has over 403 miles of pipeline ranging from 4 inches to 48 inches in diameter, 24 active water wells, 14 booster pumping stations, and 20 water tanks, with a total storage capacity of 50 million gallons of water.

The District's service area population is expected to more than double over the next 25 years, which will cause water demands also to increase. A Strategic Water Resources Plan has been developed to address these demands and identifies several water resource options available to meet these needs, including the use of imported water from the State Water Project, groundwater, local runoff, recycled water, conservation, and water banking, and considers and evaluates these options with respect to cost, reliability, flexibility, and sustainability. In 1963, the District contracted for 1,620 acre-feet per year of water from the State Water Project. The annual entitlement has increased to 21,300 acre-feet since that time.

The District works cooperatively with other local agencies. It helped form the Antelope Valley State Water Contractors Association that consists of the Antelope Valley's three State Water Contractors working towards the common goal of securing future water supplies and water storage areas in the Antelope Valley area. The Palmdale Recycled Water Authority is a Joint Exercise of Powers Authority between the City of Palmdale and the District. According to the District's audited financial statement, the purpose of the Authority is to "study, promote, develop, distribute, construct, install, finance, use and manage recycled water resources created by the Los Angeles County Sanitation District Nos. 14 and 20 for any and all reasonable and beneficial uses, including irrigation and recharge, and to finance the acquisition and construction or installation of recycled water facilities, recharge facilities and irrigation systems."

The first task following a decision to expand the current scope of work our firm performs for Palmdale Water is for our firm to spend time with District directors, management, and staff in the District's territory to gain a better understanding of the District itself and to participate in the development of legislative and regulatory priorities. After the beginning of each year of the 2-year legislative session in the State Capitol, our firm begins monitoring the introduction of legislation and forwards legislation of interest to each of our clients. Legislation identified as having a potential impact on the District will be compiled and analyzed by Reeb Government Relations, in coordination and consultation with District staff. Following the deadline for the introduction of legislation, a comprehensive report will be provided to District staff along with recommended positions. Reeb Government Relations will attend a subsequent board meeting in person or by telephone, as necessary or desirable, to deliver an oral report in reference to the written legislative report at which time the board of directors will be asked to approve positions.

Following the adjournment of the legislative session, Reeb Government Relations will produce a comprehensive written annual report for submission to the board of directors that presents information about the state budget and key issues before the Legislature, in addition to the results of advocacy efforts undertaken on behalf of the District. The report includes both the successes and the failures as we believe the credibility and integrity of our firm demands full disclosure of our efforts on behalf of our clients.

Successful advocacy in Sacramento requires a strong partnership between the lobbying firm and the client and the development of a local and state advocacy approach that includes meetings with members of the District's state legislative delegation. Securing meetings with key state legislators that are not members of the District's legislative delegation, the Governor and his staff, and agency executives and appointees also is an essential part of a successful advocacy program and will be scheduled as needed to coincide with District initiatives.

Reeb Government Relations is prepared to assist the District to accomplish the following:

*Develop State Advocacy Strategic Plan*

- We will assist District staff and the Board of Directors in developing a list of priorities for 2023 and provide advice and strategic guidance on how to advance the District's interests. Initially, the task will involve meeting with staff and board members to gain familiarity with the District's interests, priorities and issues that relate to legislative activities and priorities in Sacramento. With nearly four decades of experience in California state, regional and local government, firm principal Bob Reeb understands the important nexus between the identification of local priorities and the multi-layered approach to communicating those priorities to state officials.
- We will work with District staff and the Board of Directors throughout the term of the engagement to identify issues that could affect the District, and recommend opportunities where the District can collaborate with other water

and wastewater agencies or associations to shape State policies and regulations in order to advance the District's interests. Our firm is engaged in the work of the Association of California Water Agencies; California Municipal Utilities Association; WaterReuse Association, California Chapter; California Special Districts Association (and the Public Works Coalition) and will integrate our representation of the District into the work of these associations and their members.

- We will assist District staff and the Board of Directors to develop relationships with the governmental agencies that regulate and fund programs such as water and wastewater infrastructure, renewable energy development, and environmental issues and programs. And we will assist the District to develop meaningful relationships with legislative and executive branch personnel that can assist in bringing state financing to the District. This task will include monitoring and informing the District about state funding opportunities that have the potential to benefit District programs or projects, including direct funding and competitive grants. This task also will involve influencing the nature of project and program funding that may be included in legislative general obligation bond proposals. Key state agencies and staff to schedule briefings on issues of concern and importance to District's strategic goals and objectives will include the Department of Water Resources and State Water Resources Control Board, among others.

#### *Implement State Advocacy Strategic Plan*

- We will identify and aggressively act to obtain funding for District capital improvement projects. We rely on List Serve subscriptions for all pertinent state agencies, departments, boards, and commissions to keep informed of funding opportunities as well as the development of guidelines that are relied on to direct funding to local agencies. Engagement on the latter improves the probability of District projects not only being eligible for funding, but improves the probability of securing funding.
- We will review legislation under consideration, proposed and adopted administrative rules and regulations, and other developments for the purpose of advising the District of issues that may have a bearing on its policies and projects.
- We will assist the District to develop and maintain a positive relationship with the Governor's office, State Legislature, State Water Resources Control Board, California Environmental Protection Agency, the Division of Safety of Dams in the Department of Water Resources, the Natural Resources Agency, and other State agencies. The purpose of such relationships is to support the District's objectives to secure grants and low interest loans, influence the development of regulations, and influence the development of state policy through legislation. To accomplish this task, we will coordinate meetings with State Legislators and agency department leaders to provide the District with the opportunity to meet face-to-face with key decision-makers on pertinent issues. This task will also include assistance in the development of briefing materials and talking points for meetings and phone calls with all state officials.

- We will provide legislative and regulatory advocacy, as needed, or to promote the District's position on legislation and regulatory matters of interest. Assisting the District to leverage its membership in associations will be an important part of this implementation task. We will convey the District's position on legislation and water issues to its legislative delegation and key water related staff, as well as to appropriate state agencies, departments, boards, and the Governor's Office. We will do so in consultation with the Government Relations Officer, identifying opportunities for direct communication between the District and state officials.
- We will generate support for District priorities and issues including negotiations with stakeholders, preparing, and securing, from interested parties, position letters for high priority legislation and issues, and preparing and giving, as necessary, testimony.
- We will provide monthly written briefing reports for the District Outreach Committee and General Manager on key issues, regulatory actions and hearings, grants efforts, and legislative committee activity during the legislative session. These reports will include state budget actions of interest to the District.
- We will participate in phone or videoconference briefings to the District Outreach Committee and provide one annual recap briefing during a Board of Directors meeting.
- We will maintain ongoing liaison with the District's state legislative delegation to keep delegation members advised of the District's position on legislation, issues and where appropriate, generate support for all high priority issues.
- We will maintain ongoing working relationships and provide communication with key legislative, policy committee and administration staff members.

#### *Support District Officials Traveling on District Business*

- We will schedule meetings for District officials with key members of the Legislature and their staff, state agencies and other key stakeholders during visits to Sacramento or other parts of the state. We will attend meetings in Sacramento and, upon request by the District, attend meetings in other parts of the state. This task will include assisting District staff to facilitate the efficient and effective conduct of business in Sacramento by providing logistical support, including access to office space.
- We will request opportunities for District officials to provide testimony to the Legislature's committees and agency regulatory hearings, focusing on opportunities to participate in interim and informational hearings.

## Relevant Experience and Expertise

### *El Dorado Irrigation District (EID)*

El Dorado Irrigation District is an irrigation special district organized and existing under the California Irrigation District Law and authorizing statutes. The District serves nearly 110,000 residents in northern California's El Dorado County.

In 2018, Assembly Member Laura Friedman (D-Glendale) introduced AB 3206. The bill would require the State Energy Resources Conservation and Development Commission to adopt regulations setting standards for the accuracy of water meters that are installed by a water purveyor or manufactured and sold or offered for sale in the state. AB 3206 also would require the State Water Board, in adopting the rules for urban retail water supplier performance standards, to also adopt regulations to require each urban water supplier to sample and test its customer service meters to produce a statistically sound estimate of the accuracy of the urban water supplier's meter fleet.

EID joined the Association of California Water Agencies (ACWA) and California Water Association (CWA) in opposing AB 3206. ACWA and CWA believed the provisions of AB 3206 would create burdensome and unneeded mandates on urban retail water suppliers who already rely on industry standards and practice manuals developed by the American Water Works Association (AWWA) to ensure the accuracy and optimal performance of their water meters.

EID is an urban retail water supplier that must comply with pending State Water Board water loss standards as well as recently enacted legislation (SB 606, AB 1668) signed into law by Governor Brown. Combined, these new laws establish a water use objective for suppliers and require suppliers to take actions to meet that objective with the goal of reducing urban per capita water use. AB 3206 would mandate two new regulatory actions that would be exempt from cost-benefit and feasibility analyses that could have significant negative effects on suppliers and their customers. The State Water Board is working to implement SB 555 (Chapter 679, Statutes of 2015), which requires an urban retail water supplier to submit a completed and validated water loss audit report for the previous year to the Department of Water Resources. SB 555 requires the State Water Board to adopt rules requiring urban retail water suppliers to meet performance standards for the volume of water losses.

The enactment of water use efficiency legislation last year places myriad and significant new mandates on public water agencies from data gathering to reporting to investments all intended to reduce per capita urban water consumption under the Brown Administration framework "Making Water Conservation a Way of Life," April 2017. AB 1668 establishes urban water use objectives and reporting requirements for indoor and outdoor residential use, commercial, industrial, and institutional (CII) landscape areas, water losses, and other unique local uses and situations that have a material effect on an urban water supplier's total water use. The law requires the State Water Board to coordinate with the Department of Water Resources (DWR) to recommend and adopt long-term standards for efficient water use. AB 1668 leaves decision making regarding the manner in which a supplier will achieve its water use objective.

In contrast, AB 3206 would empower state agencies to dictate a performance standard and testing and replacement requirements for water meters that might differ from meters purchased by water suppliers and AWWA practices for testing and

replacement. AB 3206 would focus on one option that a supplier may rely on to reduce unaccounted water loss by mandating actions related to water meters.

Meters now purchased by EID range between \$173 and \$187 apiece. The list price of an ultrasonic meter capable of recording low flow rates can reach \$1,000 for a comparable meter size. This nearly \$800 difference will be added to the cost of a new home through the payment of a connection fee; and for replacement of meters in existing homes, will be factored into the water rates charged customers. One meter manufacturer provides a low flow calculator online that demonstrates the increase in supplier revenue that is likely to result from installing an ultrasonic meter as compared to the standard meter now purchased by EID. The EID customer service staff ran the calculator and determined that installation of the ultrasonic meter would result in an additional \$1.66 of revenue per year per customer. Even if the new meter only cost \$166 more, it would take 100 years for the cost to be recovered by the water supplier. As EID pointed out, the cost impact and any price signal response that results in reduced water use would be different for every customer, but they would not see any increase in what a customer would be billed until the savings of 2 cu. ft. totaled 100 cu. ft. For some who are higher users this could happen sooner than those that only use 200-300 cu. ft. each billing period. The bottom line? An increase of \$1.66 per customer per year is unlikely to cause a customer to reduce water consumption.

Our firm worked closely with EID staff to develop the above data to buttress arguments against AB 3206. We arranged for EID staff to meet with the author's staff to explain the District's concerns regarding the legislation. While the bill cleared its policy committee review in the Senate, it was held on the Senate Appropriations Committee Suspense File due to the estimated fiscal impact to state government. AB 3206 ultimately failed passage.

Reeb Government Relations has represented EID since 2005. EID is a member of ACWA, California Special Districts Association and WaterReuse Association, California Chapter.

#### *Water Replenishment District of Southern California (WRD)*

WRD is headquartered in Lakewood, California and manages groundwater for nearly four million residents in 43 cities of Southern Los Angeles County for the Central Basin and West Coast basins. The 420 square mile service area uses about 250,000 acre-feet of groundwater per year.

In 2019, our firm assisted the District to shepherd sponsored legislation through the Legislature. AB 955 (Gipson), relating to a water system needs assessment program sought to help water systems serving disadvantaged communities comply with safe drinking water laws by improving their infrastructure and operational capacity. The bill would require WRD to offer to conduct a needs assessment program for water systems serving disadvantaged communities within the district. The bill would make a water system's participation in the program voluntary. The bill would require the district, upon completion of the needs assessment, to develop and evaluate options



to address the findings and recommendations in the needs assessment and prepare an implementation plan for recommendation to the water system. The bill would require the district, to the extent it receives federal or state grants that may be used for this purpose, to assist the system in implementing the plan.

AB 955 was held on the Senate Appropriations Committee Suspense File, but our firm assisted the District in securing an \$850,000 General Fund appropriation in the State Budget Bill to conduct the needs assessment. The District has been working with the State Water Resources Control Board, who is the state administering agency for the grant, to complete a project funding agreement.

Last year, we assisted WRD in shepherding SB 1476 (Bradford) through the legislative process. The legislation streamlined the public contracting procedures utilized by WRD. Reeb Government Relations led negotiations with potential opponents and engaged legislative policy committee consultants and wrote amendments to the legislation to ensure passage of the bill. Governor Newsom signed SB 1476 into law.

Reeb Government Relations has represented WRD since 2008. WRD is a member of ACWA and WaterReuse Association, California Chapter.

#### *Valley Ag Water Coalition (VAWC)*

Valley Ag Water Coalition members include nearly 50 mutual water companies, ditch companies and water districts that deliver farm water supplies throughout the San Joaquin Valley.

In the waning days of the 2013-14 Regular Session, the California Legislature decided that over 94% of groundwater produced in the state would be subject to sweeping reform. California will move during the next five years from a voluntary, largely unregulated local system of groundwater management to a system where new groundwater sustainability agencies will wield significant new authority to manage groundwater extractions. Failure to achieve the sustainability goal—essentially safe yield—set forth in a groundwater sustainability plan, will invite the State Water Resources Control Board to intervene and assume control over a groundwater basin or subbasin.

VAWC began the year with a goal to clarify local agency financial authority under the AB 3030 groundwater management planning act. Local agencies would be authorized to require groundwater extraction facilities to be metered, to report annual groundwater production and to be subject to fees and charges to pay for projects and programs necessary to bring groundwater basins back into balance. Bob Reeb worked with VAWC member attorneys to write a new financial authority chapter for AB 3030. VAWC received plaudits from the Administration, legislative staff, and stakeholders for bringing forward such an important reform idea that was rapidly drafted into legislation.

Our firm worked diligently the entire year on behalf of VAWC to help the Brown Administration and the Legislature write meaningful reform that would not result in an overly burdensome, costly and litigious approach [we also represented Desert Water Agency and secured provisions setting out special act agencies as exclusive groundwater management agencies that could rely on alternatives to preparing a groundwater sustainability plan; and WRD, to exempt adjudicated basins from general provisions of SGMA; and EID, to exclude fractured rock sources of groundwater from SGMA]. Reeb Government Relations was active on behalf of VAWC, attending and speaking at meetings in the Governor's office, Brown Administration workshops, stakeholder workshops and numerous one-on-one meetings, telephone calls and e-mails with legislative staff and representatives of the Brown Administration.

The Administration and the Legislature both stated early on that groundwater management responsibility was best left with local agencies; a state backstop would be provided only where local agencies failed to sustainably manage groundwater basins. Unfortunately, in a rush to finish the legislation that year, the Brown Administration and the Legislature left many loose ends in the legislation, including nebulous terms, unfettered state intervention authority, lack of due process, and so forth. What was once intended to require entire basins to be covered by a groundwater sustainability plan, now left significant areas uncovered, including tribal lands, unincorporated areas outside of a water district, and lands owned by state agencies and departments, like prisons and university farms. A lack of full coverage, now blessed by the measures, invites the State Water Resources Control Board to take over groundwater management from local agencies. Ultimately, key provisions of the legislation cascaded out of control in the final weeks of the legislative session to the point where opposition was necessary.

VAWC provisions granting new authority for local agencies is included in the legislative package that was signed into law. VAWC language on GSP contents, planning preparation requirements, a statute of limitations on judicial challenges to a GSP, and CEQA exemption also was included. So, in that sense, our firm was very successful working on our own initiative on behalf of VAWC and through ACWA to gain the inclusion of key statutory provisions into both of the principal bills in the 3-bill package that makes up SGMA.

VAWC remained active during the fall following enactment of SGMA, working with coalition member attorneys to identify a list of needed "cleanup" items that were deemed necessary or desirable for coalition members to successfully implement the new groundwater law. VAWC independently pursued its list with the Brown Administration and the Legislature, securing the enactment of AB 617, Perea [Chapter 666, Statutes of 2015]. The latter measure was one of two successful cleanup bills enacted in 2015, the other bill authored by Senator Fran Pavley [SB 13, Chapter 255, Statutes of 2015].

Reeb Government Relations has represented VAWC since 2007. Most VAWC public agency members are members of ACWA.

## *Sutter Butte Flood Control Agency (SBFCA)*

The Sutter Butte Flood Control Agency is headquartered in Yuba City, California and leads the planning and implementation efforts in the Sutter-Butte Basin to reduce the risk of catastrophic, riverine flooding. The Basin covers 300 square miles and is home to 95,000 residents and encompasses \$7 billion of damageable assets. SBFCA collaborates with local, regional, state, tribal and federal agencies, and organizations in order to accomplish its mission.

Reeb Government Relations was retained by SBFCA in 2014 to address an urgent need for assistance. Absent intervention by the Legislature, construction on a critical urban flood risk reduction project sponsored by SBFCA would be halted.

SBFCA initiated construction of the Feather River West Levee Project in 2013, a \$288 million flood improvement project to protect people and property in Sutter and Butte Counties. SBFCA would have been forced to stop work on the Feather River West Levee Project at the end of December 2014 had not Reeb Government Relations and SBFCA convinced DWR to authorize an additional \$43.8 million in funding for the existing EIP scope of work on December 22, 2014, through a third amendment to the existing EIP funding agreement. Unfortunately, SBFCA still faced the possibility of stopping work as early as May 2015 unless SB 37 and a fourth amendment (or letter of commitment or new funding agreement) were in place. The EIP program guidelines do not provide for state reimbursement of local expenditures that exceed the local cost share.

Halting or suspending the project could cost the State and SBFCA tens of millions of dollars in construction claims, expired right-of-way agreements, extended overhead, financing and many other consequences of squandering the short construction season that is already limited by flood operations and endangered species windows. Facilitating the smooth transition of continued funding for SBFCA was a logical and cost-effective solution to avoiding project delays and/or shutdowns since the Legislature had appropriated bond money for 2014-15 and DWR had previously funded and committed \$182 million to SBFCA through the successful Early Implementation Program.

DWR intended that the EIP program would be followed by the Urban Flood Risk Reduction (UFRR) program. The latter new program was intended to comply with legislation approved in 2007 containing specific flood risk reduction objectives and requiring the adoption of a Central Valley Flood Protection Plan (CVFPP) in 2012 with additional recommendations for basinwide and local improvements to the State Plan of Flood Control (SPFC). Unfortunately, the UFRR program was significantly delayed. DWR originally planned to issue the new program guidelines in October 2013, but did not issue them until January 2015. The delay prevented the State from executing new funding agreements with local agencies to finish building the flood facility improvements started under the EIP program. This unanticipated delay threatened the progress of several large public works projects under active construction or design. Under then current DWR programs and guidelines, SBFCA advanced construction work and received credit toward the local cost-share of the project once

an agreement was in place. However, due to the delay of the UFRR program, SBFCA would have advanced local funding to the extent that the local cost-share was exceeded by early May of 2015, thereby stranding credit that the Agency would have received had the program not been delayed.

A second threat to local funding and construction progress also loomed. While the new UFRR guidelines authorize reimbursement for flood improvements already built or under construction while waiting for execution of new funding agreements from DWR, the guidelines limit reimbursement by incorporating a sunset provision. It was uncertain whether DWR would be able to issue funding commitments prior to the sunset date of October 1, 2015. If DWR opted to administer the full competitive grant process, DWR would not likely be able to commit UFRR funding for any project until November 2015 at the earliest (based on previous experience), potentially forcing agencies to halt work or risk stranding tens of millions of dollars of credit for completed construction.

SB 37 was written to avoid costly obstacles or delays from oversight agencies, such as the Department of General Services, when projects are in the midst of construction. Without that certainty, ongoing construction operations may have been forced to shut down, reducing public safety, cost effectiveness and eroding public trust. In the end, DWR committed to fund the remainder of the project cost in time for SBFCA to proceed without halting construction. SB 37 had passed the Senate and was awaiting action in the Assembly. The legislation proved valuable in encouraging DWR to move to a decision in a timely manner.

Reeb Government Relations has represented SBFCA since 2014.

#### *California Central Valley Flood Control Association (CCVFCA)*

California Central Valley Flood Control Association is headquartered in Sacramento, California. Established in 1926, the Association promotes the common interests of its membership in maintaining effective flood control systems in California's Central Valley for the protection of life, property, and the environment. Association membership is limited to public agencies such as reclamation, flood control, levee maintenance, drainage and other special districts, and other local government agencies.

The Association has been at the forefront of shaping the development of flood protection policy in California post-Hurricane Katrina. Mr. Reeb assisted the Association in writing a statement of principles and positions in response to "*Flood Warnings: Responding to California's Flood Crisis*," published by the Department of Water Resources in January 2005. That foundational document guided the Association's legislative advocacy program for the following two years, culminating in the Association's important contributions to the legislative enactment of a comprehensive flood control package in 2007.

In 2018, Reeb Government Relations worked diligently through contacts with Brown Administration personnel and the legislature to seek appropriation of a \$100 million

General Fund appropriation in support of multiple flood system priorities. In the end, the Legislature approved, and Governor Brown signed a state budget that included \$195 million in General Fund for 2018-19 for flood risk-reduction projects. The latter amount included a one-time appropriation of \$170 million General Fund to support the state cost share of critical United States Army Corps of Engineers urban flood risk reduction projects; and \$25 million in General Fund ongoing to support operations, maintenance, repair, rehabilitation, and replacement of the flood control infrastructure to begin implementing the 2017 Central Valley Flood Protection Plan (CVFPP). The Association also supported a one-time appropriation of \$100 million for deferred maintenance to repair the worst storm damage from the 2017 flood events.

The Association has long fought for a stable, predictable program for state financial assistance for project and nonproject levee maintenance in the Sacramento-San Joaquin Delta. In 2017, one year ahead of the 2018 sunset provision that would reduce the maximum state cost-share match to 50%, the Association sponsored AB 732 by Assembly Member Jim Frazier. That bill was held on the Senate Appropriations Committee Suspense File in summer 2017, in part, due to opposition from the Department of Finance.

Reeb Government Relations initiated direct conversations with the Governor's staff in fall 2017, raising the then-pending sunset provision and the likelihood that local participation in the subventions program would fall off should the cost-sharing formula revert to a 50/50 cost share. We suggested relying on a budget trailer bill as a vehicle to permanently repeal the sunset provision in order to avoid the undue influence of certain legislative staff that had limited the ability of the Association to maintain the 75/25 cost-share formula. On another front, Delta Stewardship Council (DSC) through work on the Delta Plan and Delta Levee Investment Strategy, recommended that an "ability-to-pay" standard be utilized to determine the appropriate state cost-share with an eye toward using crop values and improvements to land as the basis to determine a local agency's ability to pay.

In late spring of 2018, Mr. Reeb sat down with DSC and Natural Resources Agency staff to determine whether an agreement could be negotiated that would repeal the cost-share formula sunset provision, eliminate the reference in existing law to a DWR analysis of "ability-to-pay." After several weeks of negotiations, an agreement was reached that satisfied the goals of the Association and its Delta reclamation district members. Amendments to the Delta Levee Maintenance Program were included in SB 854 (Chapter 51, Statutes of 2018), the natural resources budget trailer bill, which bypassed the usual policy and fiscal committee reviews and was approved by the budget conference committee and both houses of the legislature.

Reeb Government Relations has represented CCVFCA since 2005. A significant number of CCVFCA members are also ACWA members.

## Proposed Cost of Service

Reeb Government Relations proposes a monthly retainer of \$8,000 to perform the proposed scope of work and recommends an initial contract term that runs through December 2024 based on the schedule for the 2023-24 Regular Session of the Legislature now underway. Assuming a February 1, 2023, starting date, total cost of this proposal would be \$184,000 (23 months x \$8,000 per month). Travel and other incidental costs, upon prior approval by the District, would be invoiced at cost and supported by expenditure documentation.



**Budget:**

Approval of the revised Contract Services Agreement will not affect the Budget.

**Supporting Documents:**

- Revised Contract Services Agreement for General Legal Services between the District and Aleshire & Wynder, LLP



**CONTRACT SERVICES AGREEMENT FOR  
GENERAL COUNSEL LEGAL SERVICES –  
PALMDALE WATER DISTRICT**

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This CONTRACT SERVICES AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES (“Agreement”) is effective as of the 1st day of April 2023 by and between the law firm of ALESHIRE & WYNDER, LLP, a California limited liability partnership (“A&W”), and the PALMDALE WATER DISTRICT (“District”). The governing body of the District is the BOARD OF DIRECTORS (“Board”).

**1. APPOINTMENT**

District hereby appoints G. Ross Trindle, III as General Counsel, and hires A&W therefore to render the legal services as specified herein, under the direction of the Board.

A&W represents that it employs, or will employ at its own expense, all personnel required for the satisfactory performance of any and all tasks and services set forth herein. A&W shall not replace the designated General Counsel (or any successors to such person) without the Board’s prior approval.

**2. SCOPE OF WORK AND DUTIES**

A. A&W will provide representation to District in all of its general counsel and transactional legal matters except as otherwise designated hereby or by the Board. A&W will provide all other legal services as set forth herein and only as authorized by the Board.

B. General Counsel will keep District informed as to the progress and status of all pending matters in accordance with such procedures as the District may establish from time to time. General Counsel is expected to manage, control and oversee the delivery of legal services in a competent, professional, and cost-effective manner, and hereby agrees that all services performed shall be provided in a manner commensurate with competent professional standards. All legal services shall be properly supervised and all personnel shall be qualified to handle the work assigned.

C. All legal services shall be coordinated under the direction of the Board. Nothing in this Agreement shall be construed in any manner as limiting the ultimate and absolute discretion of the Board, at any time, to assign or reassign any legal matter of District from or to A&W.

**3. DISTRICT DUTIES**

District agrees to provide such information, assistance, cooperation, and access to books, records, and other information, as is necessary for A&W to effectively render its professional services under this Agreement. To the extent District desires services to be rendered on site, District, at District’s expense, will make available sufficient office space, furniture, telephones, computers, facsimile machines, and secretarial support, as approved by the Board as may be

necessary therefor. District further agrees to abide by this Agreement, and to timely pay A&W's bills for fees, costs, and expenses as provided herein.

#### **4. PERSONNEL**

In addition to G. Ross Trindle, III acting as General Counsel, A&W will provide additional attorneys and staff who are qualified and have the expertise to render legal services hereunder, as may be required from time to time. General Counsel retains the right and authority to select additional attorneys and staff in rendering legal services hereunder.

Assignments may be modified as provided in Section 2 above and except as so provided, A&W will exercise its discretion to utilize whichever attorney(s) and staff it determines to be best suited to its rendering of legal services under this Agreement, consistent with the competent and efficient rendering of legal services, and with a view toward rendering such services in an economically efficient manner.

#### **5. COMPENSATION**

A&W's fees for general counsel and transactional services will be charged on an hourly rate basis. All legal services authorized by the District shall be charged on an hourly basis for all time actually expended, as set forth in the compensation schedules shown in Exhibit "A" attached hereto and incorporated herein by this reference. The rates in Exhibit A would come into effect on April 1, 2023 and will remain in effect through December 31, 2025, except as otherwise stated. Travel time is billed at regular services rates, but where possible, fees and costs will be split on a pro-rata basis with other clients to reduce overall fees and costs between clients.

#### **6. COSTS AND OTHER CHARGES**

A&W may incur various costs and expenses in rendering the legal services required by this Agreement which, if customary and necessary for the performance of legal services hereunder, shall be reimbursable by District. These costs and expenses are described in more detail in Exhibit "B." District agrees to reimburse A&W for these costs and expenses in addition to the fees for legal services. Reimbursable costs shall not include any overhead nor administrative charge by A&W, except as provided herein.

A&W may determine it necessary or appropriate to use one or more outside investigators, consultants, or experts in rendering the legal services required. District will be responsible for paying such fees and charges. A&W will not, however, retain the services of any outside investigators, consultants, or experts without the prior agreement of District. A&W will select any investigators, consultants, or experts to be hired.

The cost and expenses referred to herein include certain travel expenses, transportation, meals, and lodging; when incurred on behalf of the client. Generally, these will only be charged when outside of the area, and only with the prior agreement of District. Mileage calculations will be made from the office of the designated General Counsel.

Finally, periodically, when on-site, A&W personnel may be required to make local and long-distance telephone calls, or make photocopies, or incur other expenses on behalf of the District as well as other clients. A&W will not be charged for such expenses and, in exchange, will not charge the District for calls made from our office or other locations to the District.

## **7. STATEMENTS AND PAYMENT**

A&W shall render to District a statement for fees, costs, and expenses incurred on a periodic basis (generally monthly). Such statement(s) shall indicate the basis of the fees, including the hours worked, the hourly rate(s) if applicable, and a brief description of the work performed. Separate billing categories can be established to track costs associated with District funding categories or to track project costs, or such other basis as the District may direct. Reimbursable costs shall be separately itemized.

Payments shall be made by District as set forth in Exhibit "A."

## **8. PROHIBITION AGAINST SUBCONTRACTING OR ASSIGNMENT**

The experience, knowledge, capability and reputation of A&W, its partners, attorneys, and employees, was a substantial inducement for District to enter into this Agreement. Therefore, A&W shall not contract with any other person or entity to perform, in whole or in part, the legal services required under this Agreement without the written approval of District. In addition, neither this Agreement, nor any interest herein, may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily, or by operation of law, whether for the benefit of creditors, or otherwise, without the prior written approval of District. Adding attorneys to A&W, changes in the partnership, name changes and similar changes shall not be deemed a transfer or assignment requiring approval of District or amendment hereof.

## **9. INDEPENDENT CONTRACTOR**

A&W shall perform all legal services required under this Agreement as an independent contractor of District, and shall remain, at all times as to District, a wholly independent contractor with only such obligations as are required under this Agreement. Neither District, nor any of its employees, shall have any control over the manner, mode, or means by which A&W, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. District shall have no voice in the selection, discharge, supervision or control of A&W employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service.

## **10. INSURANCE**

A&W shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to District, during the entire term of this Agreement, including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis in an amount not less than a combined single

limit of One Million Dollars (\$1,000,000.00), and One Million Dollars (\$1,000,000.00) products and completed operations.

(b) **Workers' Compensation Insurance.** A policy of workers' compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both A&W and District against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the District in the course of carrying out the work or services contemplated in this Agreement.

(c) **Automobile Insurance.** A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than a combined single limit liability of One Million Dollars (\$1,000,000.00). Said policy shall include coverage for owner, non-owner, leased and hired cars.

(d) **Errors and Omissions Insurance.** A policy of professional liability insurance written on a claims made basis in an amount not less than Three Million Dollars (\$3,000,000.00).

Except for the policy of professional liability insurance, all of the above policies of insurance shall be primary insurance and shall name District, its officers, employers and agents as additionally insured. Except for the policy of professional liability insurance, the insurer shall waive all rights of subrogation and contribution it may have against the District, its officers, employees and agents and their respective insurers. Except for the policy of professional liability insurance, all of said policies of insurance shall provide that said insurance may not be amended or canceled without providing thirty (30) days prior written notice by registered mail to the District. In the event any of said policies of insurance are cancelled, the attorney shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section to the District. Failure to do so is cause for termination.

## **11. INDEMNIFICATION**

A&W agrees to indemnify District, its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the work, operations or activities of A&W, its agents, employees, subcontractors, or invitees, provided for herein or arising from the acts or omissions of A&W hereunder, or arising from A&W's performance of or failure to perform any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of District, its officers, agents or employees.

## **12. NOTICES**

Notices required pursuant to this Agreement shall be given by personal service upon the party to be notified, or by delivery of same into the custody of the United States Postal Service, or its lawful successor, or a reputable overnight courier service, postage prepaid and addressed as follows:

DISTRICT: Palmdale Water District  
2029 E. Avenue Q  
Palmdale, CA 93550  
Attention: General Manager

ATTORNEY: Aleshire & Wynder, LLP  
3880 Lemon Street, Suite 520  
Riverside, CA 92501  
Attention: G. Ross Trindle, III  
gtrindle@awattorneys.com

Service of a notice by personal service shall be deemed to have been given as of the date of such personal service. Notice given by deposit with the United States Postal Service shall be deemed to have been given two (2) consecutive business days following the deposit of the same into the custody of said Postal Service. Notice by overnight courier shall be deemed to have been given one (1) business day following the deposit of the same into the custody of the overnight courier. Either party hereto may, from time to time, by written notice to the other, designate a different address or person which shall be substituted for that specified above.

### **13. NON-DISCRIMINATION**

In connection with the execution of this Agreement, A&W shall not discriminate against any employee or applicant for employment because of race, religion, marital status, color, sex, disability, sexual orientation, gender identity, or national origin. A&W shall take affirmative action to ensure that applicants are employed, and that employees are treated fairly during their employment, without regard to their race, religion, marital status, color, sex, disability, sexual orientation, gender identity, or national origin. Such actions shall include, but not be limited to the following: employment, promotion, demotion, transfer, duties assignment; recruitment or recruitment advertising; layoff of termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

### **14. TERM, DISCHARGE AND WITHDRAWAL**

This Agreement shall continue in effect, subject to modification of fees as provided in Section 5, until terminated by either party hereto. District may discharge A&W at any time, with or without notice, with no right to hearing or notice. A&W may withdraw from District's representation at any time, to the extent permitted by law, and the Rules of Professional Conduct, upon at least sixty (60) days' notice to District.

In the event of such discharge or withdrawal, District will pay A&W professional fees and costs, in accordance with this Agreement, for all work done (and costs incurred) through the date of cessation of legal representation. District agrees to execute, upon request, a stipulation in such form as to permit A&W to withdraw as District's attorneys of record in any legal action then pending. A&W shall deliver all documents and records of District to District, or to counsel

designated by District, and assist to the fullest extent possible in the orderly transition of all pending matters to District's counsel.

**15. CONFLICTS**

A&W has no present or contemplated employment which is adverse to the District, except as may have been previously disclosed. A&W agrees that it shall not represent clients in matters either litigation or non-litigation against the District, except as provided below. A&W may have past and present clients or may have future clients, which, from time to time, may have interests adverse to District, and A&W reserves the right to represent such clients in matters not connected with its representation of the District.

If a potential conflict of interest arises in A&W's representation of two clients, if such conflict is only speculative or minor, A&W shall seek waivers from each client with regards to such representation. However, if real conflicts exist, A&W would withdraw from representing either client in the matter, and assist them in obtaining outside counsel.

**16. ATTORNEY FEES AND COSTS**

If any legal action is necessary to enforce any provision of this Agreement or for damages by reason of an alleged breach of any provision of this Agreement, the prevailing party shall be entitled to receive from the losing party all costs and expenses and such an amount as the court may adjudge to be reasonable attorney's fees.

**17. VENUE**

The venue of any action or claim brought by any party to this Agreement will be in Los Angeles County. Each party hereby waives any law or rule of the court, which would allow them to request or demand a change of venue.

**18. INTEGRATED AGREEMENT; AMENDMENT**

This Agreement contains all of the agreement of the parties and cannot be amended or modified except by written agreement. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

**19. CORPORATE AUTHORITY**

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that in so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date of execution by the District.

**SIGNATURE PAGE**

Dated: \_\_\_\_\_, 2023

**PALMDALE WATER DISTRICT**

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

By: Don Wilson

Its: Board President

ATTEST:

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

By: Dennis LaMoreaux

Its: General Manager

Dated: \_\_\_\_\_, 2023

**ALESHIRE & WYNDER, LLP**

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

Fred Galante – Equity Partner

**EXHIBIT A - FEE AGREEMENT**

**A. GENERAL**

We generally charge fees on an hourly basis only for time actually expended on behalf of a client. As a legacy client with A&W, District will receive discounted, below market, general counsel services for the first block of hours and competitive rates for hours billed thereafter, and for special services.

Included below are typical hourly rates for legal services, including outside of general counsel and transactional services. Hourly rate services typically are billed based upon the type of work and the attorney performing the work. We bill in time increments of one-tenth (0.1) of an hour, which is about six (6) minutes. We bill for travel time. We also utilize separate billing accounts based upon the District’s departments, litigation matters, development projects, construction projects, and other unique matters. The monthly billing statements for fees and costs shall indicate the basis of the fees, including a detailed and auditable breakdown of the hours worked, the billable rates charged if applicable, and description of the work performed, including the personnel who performed the work.

The fee arrangement for general counsel and transactional services will remain valid through December 31, 2025. Thereafter the rates would be subject to adjustment as agreed to between the District and the Firm as set forth herein or as otherwise agreed to in writing. Where possible, fees and costs will be split on a pro-rata basis with other clients to reduce overall fees and costs between clients.

Our reimbursable expenses generally are as follows:

<b>REIMBURSABLE</b>	
In house photocopies and faxes	\$0.20 per page (copies)
Postage, Out-of-Pocket Expenses, Outsourced Reproduction	Billed at our cost with no mark up.
Travel Time Mileage	The current IRS mileage rate is the rate charged to the District.
Lodging/Meals	Actual lodging/meal expenses incurred, using typical business rates for the area
Subcontractors	Should the District request that the Firm retain subcontractors, such as appraisers or expert witnesses or consultants, such costs will be billed at our cost with no mark up.



**EXHIBIT A - FEE AGREEMENT**

**B. RATES\***

<b>PROPOSED RATES</b>	
<p><b>1. Advisory Services &amp; Transactional Services*:</b> Advisory Services are general counsel services such as communications with the District on general legal issues, upcoming agendas, and Committee and Board meetings, with occasionally the need for limited legal or factual research. Transactional Services are those that require drafting of correspondence, memos, or contracts, which may require legal or factual research.</p>	<p><b>2023 (starting April 1, 2023):</b> \$265/hour for all timekeeper classes for the first 25 hours. For hours billed after the first 25 hours, as follows: \$300 (Partners), \$270 (Associates), \$175 (Paralegals), \$113 (Law Clerks)</p> <p><b>Annual CPI Adjustment:</b> Commencing January 1, 2024, and continuing annually thereafter, using the positive change in the CPI-U calculation for the Los Angeles-Long Beach-Anaheim region for the prior available 12-month period, as calculated by the federal Bureau of Labor Statistics, not to exceed 4%.</p>
<p><b>2. Litigation and Special Services:**</b> Litigation and Special Services include litigation in any court or tribunal, and administrative proceedings in federal, State, county, or local forums, and special services when approved by General Manager such as labor and employment, real estate transactions, major contract negotiations, toxics wastes, and similar services, as well as services that call for expenditures of time outside the normal and typical amounts of time spent on providing the District's services on a monthly basis.</p>	<p><b>Partners &amp; Of Counsel:</b> \$294  <b>Associates:</b> \$242  <b>Paralegal:</b> \$175  <b>Law Clerk:</b> \$113  <b>Legal Assistant &amp; Clerical Support:</b> \$0</p>
<p><b>3. Risk Management Litigation:**</b> Litigation of tort claims against the District.</p>	<p><b>Blended Attorney Rate:</b> \$245  <b>Paralegal:</b> \$190  <b>Law Clerk:</b> \$130  <b>Legal Assistant &amp; Clerical Support:</b> \$0</p>
<p><b>4. Public Finance Rates:</b> For public finance the fee structure shall be as follows:                      (i) one and one-half (1 ½) percent of the first \$1 million executed and delivered; three-quarters percent of the next \$4 million executed and delivered; one-third percent of the next \$10 million; one-eighth percent of the next \$10 million; and one-tenth percent of any amount over \$25 million; subject to a minimum fee of Forty Thousand Dollars (\$40,000); and                      (ii) For land-based issues (e.g., CFDs and Assessment Districts), a minimum additional fee of \$15,000 payable from a developer's deposit shall apply for the formation of each district or improvement area.</p>	

## **EXHIBIT A - FEE AGREEMENT**

In the event that multiple series of bonds, loans or notes are issued, the foregoing fee schedule would be applied to each issue. Fees shall be contingent unless otherwise directed by the client. If contingent, payment of the fees is entirely contingent upon the successful execution and delivery of the bonds or notes to be payable on or after delivery except for out-of-pocket expenses. In addition to the foregoing, a fee of \$7,500 may be charged if a tax opinion is required. At the discretion of the District, District can choose a non-contingent structure in lieu of the above schedule at the rate of \$410 per hour on a blended rate for all attorney time incurred, \$175 for paralegals, and \$120 for law clerks. Fees may be adjusted upon negotiation with the District to the extent there are significant delays in the transaction or the transaction is extremely complex.

- \* Other rates may be subject to determination, such as where there is an opportunity to obtain cost recovery through a private party such as a developer.
- \*\* These rates would remain in effect through December 31, 2023 when they would increase by \$15 per hour, and by the same rate annually thereafter.

**EXHIBIT B**  
**STATEMENT OF BILLING PRACTICES FOR LEGAL SERVICES**

The Firm's fees are charged on an hourly basis for all time actually expended. The current hourly design rate for the attorneys and staff working on this matter will be set forth in the billing statement. Annually, we review hourly rates, and when appropriate, adjust those rates to reflect increases in seniority and experience as well as inflationary factors. However, when rates are specified in the contract, these rates control.

The Firm will incur various costs and expenses in performing legal services. These costs and expenses are separately billed to the client and may include fees fixed by law or assessed by public agencies, messenger and other delivery fees, postage, parking, and other local travel expenses, photocopying (charge of twenty cents (\$.20) per page) and other reproduction costs, clerical, staff overtime, computer-assisted research fees, travel costs, including mileage at the current IRS rate per mile, airfare, lodging, meals, and incidentals, and other similar items including deposition, reporter fees, and transcript fees. In addition, the District will be responsible for paying the fees of consultants and other outside experts who are retained after consultation (mileage, reproduction and other costs are periodically adjusted in accordance with the Firm's actual costs).

Travel costs including mileage (current IRS rate), parking, airfare, lodging, meals, and incidentals are charged in connection with administrative or judicial proceedings unless special arrangements are made. Travel time is charged at specified service rates.

The monthly billing statements for fees and costs shall indicate the basis of the charge, including the hours worked, the billable rates charged if applicable, and description of the work performed. Costs and expenses will be recorded on a monthly basis but shall be due for payment on the same schedule for fees set in Exhibit A. In the event any statement remains unpaid for more than thirty (30) days after the date of the statement, interest thereon at the rate of ten percent (10%) per annum shall be due and payable thereafter on the unpaid balance.

All bills are expected to be paid timely; if additional time is required, District should contact General Counsel as soon as practicable to discuss and document any alternative payment arrangement.

It is expressly understood that the client may discharge Firm at any time. Firm may withdraw from representation at any time to the extent permitted under the Rules of Professional Conduct, upon reasonable notice to the client. In the event of such discharge or withdrawal, client shall pay Firm fees and costs in accordance with this agreement for all work done (and costs incurred) through the termination of Firm representation to Client. Upon such termination withdrawal, Firm shall deliver to client all of its files in this matter and any property in possession at Firm belonging to client.

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

<b>DATE:</b>	March 22, 2023	<b>March 27, 2023</b>
<b>TO:</b>	BOARD OF DIRECTORS	<b>Board Meeting</b>
<b>FROM:</b>	Mr. Scott Rogers, Engineering Manager	
<b>VIA:</b>	Mr. Dennis D. LaMoreaux, General Manager Mr. Adam Ly, Assistant General Manager	
<b>RE:</b>	<i><b>AGENDA ITEM NO. 7.3 - CONSIDERATION AND POSSIBLE ACTION ON REJECTING BIDS RECEIVED FOR THE WELL 36 EQUIPPING PROJECT. (NO BUDGET IMPACT - ENGINEERING MANAGER ROGERS)</b></i>	

**Recommendation:**

Staff recommends that the Board reject all bids received for the Well 36 Equipping project as allowed in the District’s bid documents in Section 5. Award of Contract in the Notice Inviting Bidders, which states: *“The Owner reserves the right, after opening bids, to reject any or all bids, or to make award to the lowest responsible bidder and reject all other bids.”*

**Alternative Options:**

There are no alternative options.

**Impact of Taking No Action:**

The potential impact of taking no action is exceeding the budget allocation for the project.

**Background:**

Staff prepared a solicitation for the Well 36 equipping project. The equipping project consisted of installing the well pump, pump discharge head, discharge piping, chemical equipment, and electronic systems. The project was posted on January 10<sup>th</sup> on the District’s procurement website and in the Antelope Valley Press on January 14<sup>th</sup> and 21<sup>st</sup>. A mandatory meeting was held on January 24<sup>th</sup> at 9:00 a.m. The District received two bids on February 14<sup>th</sup> at 5:00 p.m. A summary of the bids is attached. The bids range from approximately \$5.20 million to \$5.45 million.

**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:**

No budget impacts.

**Supporting Documents:**

- Bid Summary

Well 36 Equipping Bid Summary

				Caliagua, Inc.		Environmental Construction, Inc.	
Line Item	Description	Quantity	Unit of Measure	Unit Cost	Total	Unit Cost	Total
1	Mobilization, Demobilization, Insurance and Bonds	1	Lump Sum	\$425,000.00	\$425,000.00	\$288,300.00	\$288,300.00
2	Trench and Excavation Safety Measures	1	Lump Sum	\$58,000.00	\$58,000.00	\$7,000.00	\$7,000.00
3	Site Work.	1	Lump Sum	\$453,000.00	\$453,000.00	\$252,594.00	\$252,594.00
4	Well Building.	1	Lump Sum	\$1,139,000.00	\$1,139,000.00	\$1,081,514.00	\$1,081,514.00
5	Well Pump and Appurtenances.	1	Lump Sum	\$1,232,000.00	\$1,232,000.00	\$1,004,850.00	\$1,004,850.00
6	Piping and Valves.	1	Lump Sum	\$485,000.00	\$485,000.00	\$1,322,414.00	\$1,322,414.00
7	Electrical and Instrumentation.	1	Lump Sum	\$1,229,000.00	\$1,229,000.00	\$1,102,400.00	\$1,102,400.00
8	Heating, Ventilating, and Air Conditioning (HVAC).	1	Lump Sum	\$147,000.00	\$147,000.00	\$350,000.00	\$350,000.00
9	Startup Testing and Training.	1	Lump Sum	\$29,000.00	\$29,000.00	\$45,000.00	\$45,000.00
10	Preparation of Operations and Maintenance Manuals	1	Lump Sum	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
<b>Total</b>					<b>\$5,202,000.00</b>		<b>\$5,459,072.00</b>

**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** March 22, 2023 **March 27, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Scott Rogers, Engineering Manager  
**VIA:** Mr. Adam Ly, Assistant General Manager  
Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.4 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION NO. 23-4 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT APPROVING WAIVER OF DISTRICT PROCUREMENT AND PURCHASING POLICY. (NO BUDGET IMPACT – ENGINEERING MANAGER ROGERS)***

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**Recommendation:**

Staff recommends the Board approve Resolution No. 23-4 being a Resolution of the Board of Directors of the Palmdale Water District Approving a Waiver of District Procurement and Purchasing Policy related to the Well 36 Equipping Project.

**Alternative Options:**

The Board can choose not to approve Resolution No. 23-4.

**Impact of Taking No Action:**

The District will not be able to fully utilize its groundwater right.

**Background:**

The District advertised the Well 36 Equipping Project and received bids on February 14, 2023. The cost of the Project is substantially higher than anticipated and staff recommends that the Board reject all bids. Staff has discussed, and is looking to revise, the constructability of the Project.

With the information gathered from the current bidding process, staff is requesting to negotiate with the bidding contractors to evaluate the Project costs and find cost savings to bring the Project within budget. The District's Procurement and Purchasing Policy listed under Appendix M of the Rules and Regulations grants the Board authority to waive the bidding if it is in the District's best interest. Staff hopes to obtain a fair deal with the budgeted funds that are set aside and will provide a Board report on the outcome of the negotiations.

**Strategic Plan Initiative/Mission Statement:**

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

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

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

March 22, 2023

**Budget:**

There is no budget impact.

**Supporting Documents:**

- Resolution No. 23-4 being a Resolution of the Board of Directors of the Palmdale Water District Approving a Waiver of District Procurement and Purchasing Policy

**RESOLUTION NO. 23-4**  
**A RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF THE PALMDALE WATER DISTRICT APPROVING**  
**WAIVER OF DISTRICT PROCUREMENT AND PURCHASING POLICY**

WHEREAS, the Board of Directors of the Palmdale Water District ("District") has previously adopted a Procurement and Purchasing Policy, as fully set forth in Appendix M of the District's Rules and Regulations; and

WHEREAS, the District's Procurement and Purchasing Policy generally requires solicitation of bids for any construction project the District undertakes which has an estimated cost in excess of \$50,000, and the subsequent letting of any contract for such a project to the lowest responsible bidder; and

WHEREAS, Section I of the District's Procurement and Purchasing Policy provides that notwithstanding that policy, all contracts for projects the District undertakes may be made or entered into upon such terms and conditions and in such manner as the Board of Directors determines is in the best interest of the District; and

WHEREAS, the Well 36 Equipping must be constructed to ensure the District has the redundancy and capacity to fully utilize its groundwater right; and

WHEREAS, the District has received proposals from potential and past contractors performing well equipping; and

WHEREAS, the District now desires to waive the requirement for solicitation of bids and authorize District staff to negotiate a fair and reasonable price for the equipping of Well 36 based on the proposals received.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE that it is in the District's best interest to authorize the General Manager, or his designee, to negotiate a proposal for performance of the Well 36 Equipping and related work without further compliance with the District's Procurement and Purchasing Policy requirement for solicitation of multiple bids as set forth under Section IV of that policy, and waives such requirement as to the Well 36 Equipping Project.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District this 27<sup>th</sup> day of March 27, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

APPROVED AS TO FORM:

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



**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** March 22, 2023

**March 27, 2023**

**TO:** BOARD OF DIRECTORS

**Board Meeting**

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

**RE:** *AGENDA ITEM NO. 7.5 – CONSIDERATION AND POSSIBLE ACTION ON LETTER OF INTENT WITH BARREL SPRINGS FARMS FOR THE PROTECTION OF PALMDALE DITCH. (GENERAL MANAGER LaMOREAUX)*

**Recommendation:**

Staff recommends the Board authorize General Counsel to sign the Letter of Intent dated March 21, 2023, outlining a future agreement that will protect the use of Palmdale Ditch adjacent to the Barrel Springs Farms Development.

**Alternative Options:**

There are no alternative options. These are the only negotiated and tentatively agreed terms.

**Impact of Taking No Action:**

The District will be obligated to perform work described in the May 2006 Settlement Agreement with the current property owner if Barrel Springs Farms Development is fully approved by Los Angeles County Regional Planning. The Settlement Agreement requires the District to complete the enclosure of Palmdale Ditch adjacent to the property within nine months. The terms of the Letter of Intent allow for a more reasonable timeframe, twelve to twenty-four months, for the District to perform the necessary work to enclose the section of Palmdale Ditch adjacent to the Barrel Springs Farms Development along with other clarifications.

**Background:**

The May 2006 Settlement Agreement was the result of the District and the current property owner agreeing on how to protect Palmdale Ditch from contamination due to the property's development by enclosing the Ditch adjacent to the property. It contains two conditions that will require the District to perform the enclosure project:

1. Payment of \$175,000.00 by the developer (paid in January 2008)
2. Filing of a final map

**Strategic Plan Initiative:**

This item is under Strategic Initiative No. 3 – Systems Efficiency.

**Budget:**

This potential project is not currently budgeted. The cost of enclosing this section of Palmdale Ditch, approximately 2,300 feet, is unknown at this time. The \$175,000.00 deposited with the District in 2008 will be used to offset the cost. The District also has a pending grant application with the Bureau of Reclamation to support enclosing the entire length of Palmdale Ditch.

CLAIRE H. COLLINS  
PARTNER  
DIRECT DIAL (213) 395-7650  
E-MAIL ccollins@hansonbridgett.com



March 21, 2023

VIA EMAIL [gtrindle@awattorneys.com](mailto:gtrindle@awattorneys.com)

G. Ross Trindle  
General Counsel, Palmdale Water District  
Aleshire & Wynder, LLP  
3880 Lemon St., Suite 520  
Riverside, CA 92501

Re: Letter of Intent re Undergrounding Palmdale Ditch at Barrel Springs Farms Development

Dear Mr. Trindle:

Pursuant to our recent discussions regarding the above-described matter, I write on behalf of my client, The People Concern, to submit the following proposal to your client, the Palmdale Water District. This letter will not create any legal rights or obligations between either party. It is intended only to propose basic terms and conditions upon which both parties would consider entering into a formal written agreement with respect to undergrounding a segment of the Palmdale Ditch at the site of my client's project, as follows:

Parties: The People Concern, a California non-profit public benefit corporation ("**TPC**") and Palmdale Water District, a California irrigation district ("**PWD**") (together, the "**Parties**")

Subject Property: ~125 acres of undeveloped land north of Barrel Springs Road and East and West of 40th Street, unincorporated Palmdale ("**Subject Property**").

Project: Develop a working farm (row crops and orchards), a farmstand, and farmworker housing.

Background:

- A. Acquisition: TPC is under option to acquire the Subject Property from the Sevilla family.
- B. Entitlements: A **Site Plan Approval**, which is a ministerial approval, for Barrel Springs Farms will be issued by the LA County Planning Director. The Site Plan Approval is the definitive land use entitlement approval. It will be issued under a CEQA Statutory Exemption.
- C. Sevilla Agreement: A May 2006 Agreement ("**Agreement**") between PWD and the Sevilla Family requires PWD to enclose and underground the segment of the open Palmdale Ditch on the Subject Property within 9 months after recordation of a final map, which is the definitive land use entitlement approval for a residential subdivision.
- D. Change in Conditions: Three significant changes to conditions have arisen since the Sevilla Agreement was reached:
  - (A) The Barrel Springs Farms project does not require a final map to be recorded, but instead requires a County of Los Angeles Site Plan Approval for the right to proceed with construction;
  - (B) PWD has determined that it may take 12-24 months to design, advertise and award a contract for and construct the Palmdale Ditch undergrounding at the Subject Property; and
  - (C) PWD has applied for grants from the State of California and the Federal Bureau of

Reclamation to fund the undergrounding of the full length (~7 miles) of the open Palmdale Ditch, which grants may be awarded as early as spring 2023.

Based on the facts above, TPC proposes that the Parties execute an agreement containing the following core terms:

Deal Points:

1. If TPC purchases the Subject Property, then upon TPC receiving the Site Plan Approval from the County of Los Angeles, PWD will honor the Sevilla Agreement and underground the pipeline.
2. PWD will complete construction of the underground pipeline at the Subject Property within 24 months after receiving notice of TPC's Site Plan Approval by the County of Los Angeles.
3. PWD and TPC will work in good faith to coordinate both Parties' construction activities on the site to avoid interference with the other Party's activities. For any construction work undertaken by TPC during the 24-month period following the notice of the Site Plan Approval, TPC will consult with PWD to identify and implement reasonable temporary measures to protect the Palmdale Ditch from contamination resulting from sheet flow off of portions of the Property upgradient from the Palmdale Ditch.
4. If PWD receives state or federal funding for the undergrounding of the entirety of the Palmdale Ditch, then PWD will prioritize undergrounding the segment of pipe on the Subject Property to be constructed first.
5. Upon the full execution of an agreement containing these terms, TPC will prepare a letter of support for PWD's grant funding applications.
6. PWD is not agreeing to serve water to the Property; PWD does not have facilities immediately available to serve TPC's Project. On December 12, 2022, PWD provided a letter of serviceability regarding the Property to the Antelope Valley Watermaster, attached as Exhibit 1, advising that the owner should seek approval for construction of a private well to serve the parcel.

Upon your counter-signature below, within 3 business days we will use these terms to draft a formal agreement for your client to review and consider. TPC requests that PWD present this letter of intent to its Board of Directors at its March 27, 2023 Board Meeting for approval and to authorize the General Manager to execute an agreement with TPC consistent with these terms.

Sincerely,

  
Claire Hervey Collins

cc: client

ACKNOWLEDGEMENT

On behalf of PWD, I approve these terms and request the preparation of definitive agreement for presentation to and consideration by the PWD Board of Directors.

By: \_\_\_\_\_  
G. Ross Trindle, General Counsel

# Exhibit 1



## **PALMDALE WATER DISTRICT**

A CENTURY OF SERVICE

### **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

December 12, 2022

Carol Sevilla  
Barrel Springs Properties, LLC.  
1719 California Avenue  
Santa Monica, CA 90403

**RE: SERVICEABILITY - PROPERTY APN 3052-016-017  
W.S.M. 34-63;66 (Re-issued)**

Dear Antelope Valley Watermaster:

This letter replaces the serviceability letter dated August 11, 2022, after additional information was provided on the parcel. The above-mentioned parcel is located within the service boundaries of the Palmdale Water District (District) and the District's Palmdale Ditch transverses the parcel and lies at the lowest elevation of the parcel. The District will require the Palmdale Ditch to be enclosed so that the ditch is not negatively impacted by water runoff from the parcel.

There is infrastructure located within proximity of the above-mentioned parcel; however, the parcel lies at a higher elevation than can be served by the District's existing system. Improvements to the District's system would be necessary to serve the parcel. Therefore, the owner may elect to either construct the necessary water system improvements so the District can serve the parcel or seek approval through the Antelope Valley Watermaster for the construction of a private well to serve this parcel. This letter shall be valid for one year from the date the letter was issued.

Please feel free to contact me at (661) 456-1020 if you have any questions.

Very truly yours,

SCOTT ROGERS,  
Engineering Manager  
SR/jv

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**DENNIS D. LaMOREAUX**  
General Manager

**ALESHIRE & WYNDER LLP**  
Attorneys



**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** March 22, 2023 **March 27, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** ***AGENDA ITEM NO. 7.6 – CONSIDERATION AND POSSIBLE ACTION ON THE FORMATION OF AN AD HOC COMMITTEE FOR DEVELOPMENT OF THE GENERAL MANAGER RECRUITMENT PROCESS. (DIRECTOR DIZMANG)***

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**Recommendation:**

Staff recommends that the Board authorize the formation of an Ad Hoc Committee for the development of the General Manager recruitment process per the request of Director Dizmang.

**Alternative Options:**

The alternative is to not create an Ad Hoc Committee.

**Impact of Taking No Action:**

There would be no Ad Hoc Committee.

**Background:**

The current General Manager contract ends on July 29, 2024. The Board is interested in a thoughtful process to recruit and place the next General Manager. An Ad-Hoc Committee will develop a proposed methodology and timeline for the process that will eventually be presented to the full Board of Directors for consideration.

If approved, President Wilson will assign the Committee members.

**Strategic Plan Initiative:**

This item is under Strategic Plan Initiative No. 2 - Organizational Excellence.

**Budget:**

This item will not affect the Budget.

**MINUTES OF MEETING OF THE OUTREACH COMMITTEE OF THE PALMDALE WATER DISTRICT, JANUARY 18, 2023**

*A meeting of the Outreach Committee of the Palmdale Water District was held Wednesday, January 18, 2023, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Mac Laren-Gomez called the meeting to order at 10:04 a.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Kathy Mac Laren-Gomez, Chair

Don Wilson, Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Dennis Hoffmeyer, Finance Manager

Judy Shay, Public Affairs Director

Claudia Bolanos, Resource and Analytics Spvrs.

Dawn Deans, Executive Assistant

Danielle Henry, Management Analyst

0 members of the public

**2) Adoption of Agenda.**

It was moved by Committee Member Wilson, seconded by Chair Mac Laren-Gomez, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

**3) Public Comments for Non-Agenda Items.**

There were no public comments for non-agenda items.

**4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held December 21, 2022.**

It was moved by Committee Member Wilson, seconded by Chair Mac Laren-Gomez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Outreach Committee meeting held December 21, 2022, as written.

**4.2) Discussion of the District's Response to the Drought. (Public Affairs Director Shay/Resource & Analytics Supervisor Bolanos)**

Resource and Analytics Supervisor Bolanos stated that the number of water waste warnings is consistent with the last report; that staff is finalizing 2022 water use reporting; that the school districts and the City of Palmdale reached their 20% water use reduction goal; and that staff is developing the 2023 Annual Water Assessment.

The Committee then recommended the schools and the City of Palmdale be recognized for achieving their water use reduction goal.

**4.3) Discussion of 2023 Outreach Activities. (Public Affairs Director Shay)**

**a) Outreach Report.**

Public Affairs Director Shay stated that an update to her written Outreach Report will be provided to the Board and that the social media post on Littlerock Dam spilling was the most popular post.

**b) Upcoming Events/2023 Plans.**

She then stated that upcoming events include the CSDA Quarterly Chapter Luncheon on January 25 in Santa Clarita; that Coffee-with-Director Kellerman is scheduled for February 15; that a Let's Talk H2O Water Supply is scheduled for March; that a Waterwise Landscape Conversion 101 Workshop is scheduled for March 22; and that the Water Ambassadors Academy returns the first three weeks in April.

**4.4) Discussion of Proposal Received From Reeb Government Relations for State Lobbying Activities. (Assistant General Manager Ly)**

The proposal received from Reeb Government Relations for providing assistance to the District and providing funding options for the Pure Water AV Project and joint projects with United Water Conservation District was reviewed, and after a brief discussion of the scope of work, the cost of the proposal, and of federal lobbying activities, it was determined that the Committee further review the proposal at the next Committee meeting and develop a recommendation to the full Board for consideration.

Chair Mac Laren-Gomez then expressed her interest in remaining on the Outreach Committee for 2023.

**4.5) Discussion of Options From the Building Trades for Assistance With District Projects. (No Budget Impact – Chair Mac Laren-Gomez)**

General Manager LaMoreaux stated that he was unable to discuss this item with the Building Trades, and it was determined that this item be included on the next agenda.

**5) Reports.**

**5.1) Lobbying Activities. (Assistant General Manager Ly)**

General Manager LaMoreaux stated that there are no updates on this item.

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

It was determined that "Consideration and possible action on a recommendation on the proposal received from Reeb Government Relations for state and federal lobbying activities" and "Discussion of options from the Building Trades for assistance with District projects" will be included on the next agenda.

There were no further requests for future agenda items.

**7) Date of Next Committee Meeting.**

After a brief discussion, it was determined that the next Outreach Committee meeting will be held February 15, 2023 at 4:00 p.m.

**8) Adjournment.**

There being no further business to come before the Outreach Committee, the meeting was adjourned at 10:44 a.m.

  
Chair



**MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JANUARY 17, 2023:**

*A meeting of the Finance Committee of the Palmdale Water District was held Tuesday, January 17, 2023, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Wilson called the meeting to order at 1:30 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Don Wilson, Chair

Gloria Dizmang, Committee Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Dennis Hoffmeyer, Finance Manager

Judy Shay, Public Affairs Director

Diana Gunn, Accounting Supervisor

Bob Egan, Financial Advisor

Dawn Deans, Executive Assistant

Danielle Henry, Management Analyst

0 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments for Non-Agenda Items.**

There were no public comments for non-agenda items.

**4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held December 20, 2022.**

It was moved by Committee Member Dizmang, seconded by Chair Wilson, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held December 20, 2022, as written.

**4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of December 2022. (Financial Advisor Egan)**

Financial Advisor Egan provided an overview of the monthly Major Account Activity Reports, Investment Funds Report, and Cash Flow Statement through December 2022, including assessments received, increased interest rates and market values, payouts postponed until January 2023, capital improvement fees received, and the projected year-end balance.

He then stated that this is Executive Assistant Deans' last meeting; that she has done a spectacular job for the District; and that it has been a pleasure working with her.

**4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for December 2022. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer reviewed in detail the balance sheet, profit and loss statement, quarterly comparison report, departmental budgets versus actual, and individual departmental budgets for the period ending December 2022 and stated that most departments are operating at or near the historical trend average of 100.0% for revenues, the historical trend average of 100.0% for expenses, and the traditional budgetary percentage of 100.0% followed by discussion of amounts over this percentage, the Directors' budget and tracking their expenses, and overtime for various departments.

**4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Hoffmeyer)**

Finance Manager Hoffmeyer provided an overview of the Contractual Commitments and Needs Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and projects paid out through the 2021A Series Water Revenue Bonds through December 2022.

**5) Reports.**

**5.1) Finance Manager Hoffmeyer:**

**a) Accounts Receivable Overview.**

Finance Manager Hoffmeyer stated that as of December 2022, there are 11 commercial/industrial accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$9,013 and \$1,357 over ninety days past due; that there are eight multi-family residential accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$12,461 and \$126 over ninety days past due; that there are 1,431 residential accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$459,583 and \$52,572 over ninety days past due; and that staff continues to offer payment arrangements encouraging the payment of outstanding balances.

**b) Revenue Projections.**

He then stated that based on selling 17,000 AF of water, 2022 revenue is behind projections by approximately \$901,000 as of December 2022.

**c) Rate Assistance Program Status.**

He then stated that as of January 9, 2023, there are 441 qualified accounts for the Rate Assistance Program with 282 accounts being seniors, 8 being veterans, and 152 being low-income with 259 openings remaining in the Program for the year.

**d) Payment Transactions by Type.**

He then stated that the most popular type of payment continues to be electronic transactions.

**e) Billing and Collection Statistics.**

He then stated that monthly billing statistics are consistent in the amount of shut-off notices, which are low compared to the total number of service connections.

**5.2) Financial Advisor Egan:**

**a) Debt Service Coverage Status.**

Financial Advisor Egan stated that the Debt Service Coverage for January 2022 to December 2022 is 1.96 and remains strong.

**5.3) Other.**

There were no other items to report.

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

There were no requests for future agenda items.

**7) Date of Next Committee Meeting.**

It was determined that the date for the next Finance Committee meeting will be scheduled after 2023 Board Standing Committees are announced.

**8) Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 2:55 p.m.

  
\_\_\_\_\_  
Chair

**MINUTES OF MEETING OF THE RESOURCE AND FACILITIES COMMITTEE OF THE PALMDALE WATER DISTRICT, OCTOBER 13, 2022:**

*A meeting of the Resource and Facilities Committee of the Palmdale Water District was held Thursday, October 13, 2022, at 2029 East Avenue Q, Palmdale, CA 93550 and via teleconference. Chair Dino called the meeting to order at 4:00 p.m.*

**1) Roll Call.**

**Attendance:**

Committee:

Vincent Dino, Chair

Scott Kellerman, Committee  
Member

**Others Present:**

Dennis LaMoreaux, General Manager

Adam Ly, Assistant General Manager

Dennis Hoffmeyer, Finance Manager

Judy Shay, Public Affairs Director

Scott Rogers, Engineering Manager

Peter Thompson II, Resource & Analytics Dir.

Dawn Deans, Executive Assistant

3 members of the public

**2) Adoption of Agenda.**

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

**3) Public Comments for Non-Agenda Items.**

There were no public comments for non-agenda items.

**4) Action Items: (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Committee Prior to Action Being Taken.)**

**4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held July 14, 2022.**

It was moved by Committee Member Kellerman, seconded by Chair Dino, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Resource and Facilities Committee meeting held July 14, 2022, as written.

**4.2) Presentation of Strategic Water Resources Plan. (Woodard Curran Consultants)**

Assistant General Manager Ly stated that this is the first public meeting regarding the Strategic Water Resources Plan after which Brian Van Lienden, Katie Evans, and Vanessa De Anda, from Woodard & Curran, provided a detailed overview of the Strategic Water Resources Plan, including current and projected water supply, demands, and gaps in supply and the water supply options of local surface water, imported water for storage, imported water transfers, groundwater, and recycled water followed by discussion of additional information to be included in the Plan.

**4.3) Consideration and Possible Action on a Recommendation to Declare a District Vehicle as Surplus Property. (Potential Revenue – Facilities Manager Bligh)**

Assistant General Manager Ly provided an overview of the crane truck and forklift proposed to be declared as surplus property after which it was moved by Committee Member Kellerman, seconded by Chair Dino, and unanimously carried by all members of the Committee present at the meeting on the following roll call vote that the Committee concurs with staff's recommendation to declare a crane truck and forklift as surplus property and that this item be presented to the full Board for consideration at the October 24, 2022 Regular Board Meeting.

Chair Dino, aye  
Committee Member Kellerman, aye

**4.4) Discussion of 2023 Budget Items. (Assistant General Manager Ly/Department Managers)**

Finance Manager Hoffmeyer provided a brief overview of 2023 Budget items regarding facilities matters, including operational, capital and plant expenditures, projects, equipment, vehicle replacements, and information technology items followed by discussion of leasing versus purchasing vehicles.

**5) Reports:**

**5.1) Resource and Analytics Director Thompson II:**

**a) 2022 State Water Project Allocation Use.**

Resource and Analytics Director Thompson II provided an overview of the initial zero State Water Project allocation for 2023, the potential for additional water conservation measures to accommodate any supply gaps, carryover water supplies, and water exchanges and transfers.

**b) Water Conservation Under Stage 2 of the Water Shortage Contingency Plan.**

He then stated that the District has implemented mandatory Stage 2 of the Water Shortage Contingency Plan; that customers are currently achieving a 17 - 22% reduction in water use; and that there has been a 70% increase of turf removal under the District's Waterwise Landscape Conversion Program with 66,000 square feet of turf removed.

**c) Water Conservation and Education Garden.**

He then stated that the Water Conservation and Education Garden is now proposed to be constructed next to the Pure Water AV demonstration facility using grant funding.

**5.2) Engineering Manager Rogers:**

**a) Littlerock Reservoir Sediment Removal Project.**

Engineering Manager Rogers stated that 17,000 cubic yards of sediment have been removed from Littlerock Reservoir and that excavation and removal continues followed by discussion of disposal of the sediment and how weather conditions could affect this Project.

**b) Water Main Replacement Projects.**

He then stated that regarding Water Main Replacement Projects, the Project in Stanridge is complete, the Project in Avenue P/10<sup>th</sup> Street East is complete and Well No. 15 is back on line, the Avenue Q-10 Project is under construction, the Avenues Q-1, Q-2, Q-4, and Q-5 Project will begin after completion of the Avenue Q-10 Project, award of contract for the Avenue R/12<sup>th</sup> Street East Project is anticipated to be presented to the full Board for consideration at the October 24, 2022 Regular Board Meeting, and several projects are in the design phase.

**c) Pure Water AV Project.**

He then stated that staff continues document review of the outreach plan, terminology sheets, and a recycled water alternatives analysis, and an update on this project will be presented at the October 17, 2022 Palmdale Recycled Water Authority meeting.

**5.3) Facilities Manager Bligh:**

**a) Well Rehabilitation.**

Assistant General Manager Ly stated that the engine for Well No. 15 needs an overhaul and rehabilitation; that five wells have been rehabbed over the last five years; that Well No. 23 is scheduled next for rehabilitation; and that Well No. 3 will be reviewed for rehabilitation.

**b) Palmdale Ditch.**

He then stated that staff continues annual lining of the Palmdale Ditch to address leaks and will walk Palmdale Ditch in January to ensure it is ready for water transfers from Littlerock Reservoir.

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

There were no requests for future agenda items.

**7) Date of Next Committee Meeting.**

There was no date set for the next Resource and Facilities Committee meeting.

**8) Adjournment.**

There being no further business to come before the Resource and Facilities Committee, the meeting was adjourned at 4:50 p.m.

  
Chair



**PALMDALE WATER DISTRICT  
BOARD MEMORANDUM**

**DATE:** March 22, 2023 **March 27, 2023**  
**TO:** BOARD OF DIRECTORS **Board Meeting**  
**FROM:** Mr. Dennis D. LaMoreaux, General Manager  
**RE:** *AGENDA ITEM NO. 8.2.a – MARCH 2023 GENERAL MANAGER REPORT*

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The following is the March 2023 report to the Board of activities through February 2023. It is organized to follow the District’s 2022 Strategic Plan approved in October 2022 and composed of six strategic initiatives. The initiatives follow for reference. It is intended to provide a general framework to update the month’s activities.

**PWD 2022 STRATEGIC PLAN SUMMARY**



**Water Resource Reliability:** *Resilience, Development, Partnership*

**Support and participate with local agencies in the development of projects and policies that improve water reliability**

**Maximize state and federal funding opportunities for Pure Water AV**

**Support projects and initiatives that increase the resilience of the State Water Project**

**Develop water storage options for State Water Project supplies and improve groundwater capture capabilities**

**Strengthen stakeholder relationships and implement Littlerock Dam and Reservoir Sediment Removal Project**



**Organizational Excellence:** *Train, Perform, Reward*

**Offer competitive compensation and benefits package for employee recruitment and retention**

**Focus Succession Planning Program on ensuring an overlap of training for key positions**

**Continue providing transparency to our ratepayers through training for the ongoing achievement of the Districts of Distinction certification**

**Encourage cohesiveness, transparency, and integrity within the staff through Codes of Conduct and increased accountability**

**Ensure employees are trained on the Strategic Plan and the District’s Values of Diversity, Integrity, Teamwork, and Passion**

**Improve safety for Directors, employees, and customers**

**Develop career paths at the District for interns and pursue state and federal funding for intern programs**

**Cultivate a positive culture and increase employee engagement**



**Systems Efficiency: *Independence, Technology, Research***

**Explore energy independence and evaluate the feasibility of energy options, including wind and solar**

**Incorporate more energy efficient technologies into the District’s infrastructure**

**Research state-of-the-art treatment techniques to enhance systems efficiency**

**Re-evaluate Lake Palmdale by-pass pipeline and pursue funding options**

**Improve Palmdale Ditch to reduce water loss**



**Financial Health and Stability: *Strength, Consistency, Balance***

**Pursue grant funding for District projects and operations**

**Maintain the five-year financial plan adopted as part of the 2019 Water Rate Study, including the five-year Capital Improvement Plan**

**Conduct and adopt a 2024 five-year Water Rate Plan**

**Build adequate reserve levels and achieve high-level bond rating**

**Seek potential revenue sources from vacant District properties**

**Monitor finances, operations, and projects affected by emergencies**

**Digitize and document departmental workflows**



**Regional Leadership: *Engage, Lead, Progress***

**Continue to provide opportunities and information for local businesses and agencies to contract with the District**

**Continue to collaborate with neighboring water agencies and move to include more agencies throughout and outside of the Antelope Valley through Greater Antelope Valley Mutual Response Agreements and emergency response exercises**

**Develop working relationships and mutually beneficial projects with other water agencies in the District's region**

**Develop strategies, alliances, and funding to make Littlerock Dam and Reservoir recreational again**

**Continue Memorandum of Understanding with United Water Conservation District to combine political forces to obtain grant funding and research other joint cooperative regional efforts**

**Continue representation on larger regional organizations such as the California Special Districts Association (CSDA) and the Association of California Water Agencies (ACWA) and assist with the growth and influence of the Special Districts Association of North Los Angeles County, a CSDA local chapter**



**Customer Care, Advocacy and Outreach: *Promote, Educate, Support***

**Enhance customers' experience through communication and feedback**

**Expand and market additional payment options**

**Continue to increase public awareness of current programs and services through traditional and new media platforms**

**Engage elected officials and the public on the importance of local and state water reliability issues**

**Complete conversion to an Advanced Metering Infrastructure (AMI) to increase customers' knowledge of water use and promote customer self-help portal**

**Continue to increase public awareness of the on-going drought and the importance of conservation efforts**

**Publicize, engage, and educate the community about Pure Water AV**

**Overview**

This report also includes charts that show the effects of the District's efforts in several areas. They are organized within each strategic initiative and include status of the State Water Resources Control Board's (SWRCB) former long-term conservation orders (20 x 2020), the District's total per capita water use trends, 2022 actual water production and customer use graph, mainline leaks, and the water loss trends for both 12- and 24-month running averages.



**Water Resource Reliability** *Resilience, Development, Partnership*

This initiative includes conservation efforts, water supply projects, and water planning.

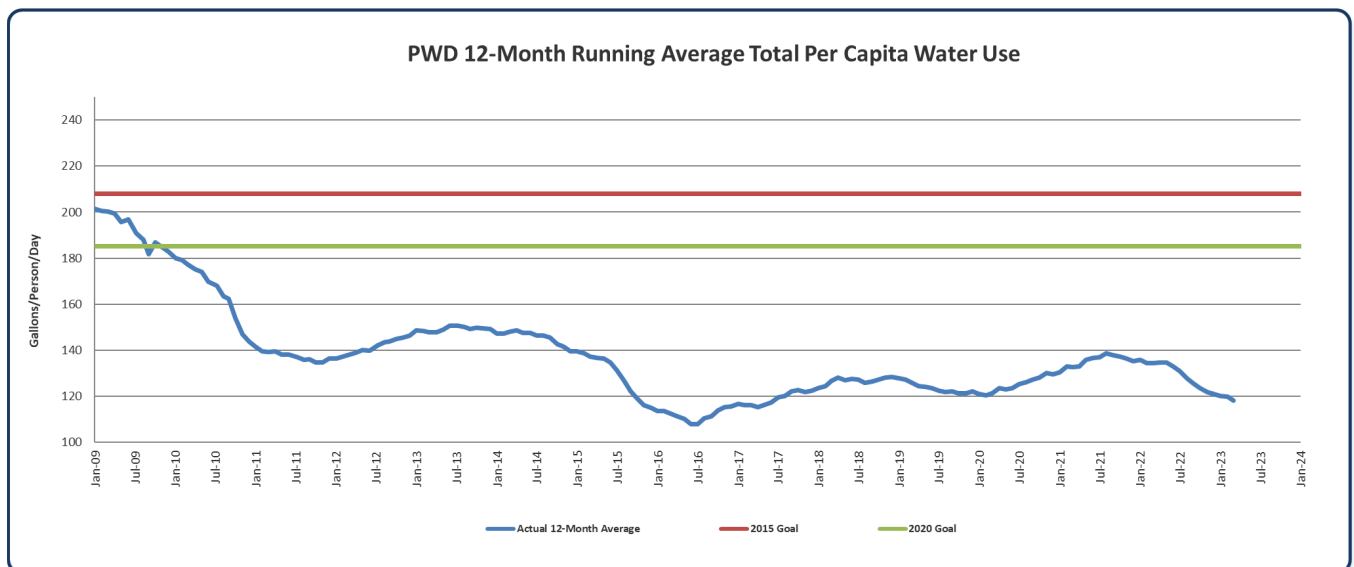
Recent highlights are as follows:

**Overall Water Use Goals and Compliance**

The 20 x 2020 per capita reduction goals passed by the legislature in 2009 with new long-term water budgeting requirements were replaced with new requirements and water agency water budgets. These follow through on the “Making Water Conservation a California Way of Life” plan. The District expects to easily comply with the new requirements as they are based on the same philosophy as the District’s water budget rate structure.

The 2020 Urban Water Management Plan was adopted by the District in June 2021. It does not relate the District’s water use to the upcoming agency water budget. Until these criteria are finalized, the customers’ performance is shown in this report using the 20 x 2020 requirements.

The District’s compliance with the former 20 x 2020 law is evident from the chart titled “PWD 12-Month Running Average Total Per Capita Water Use:”



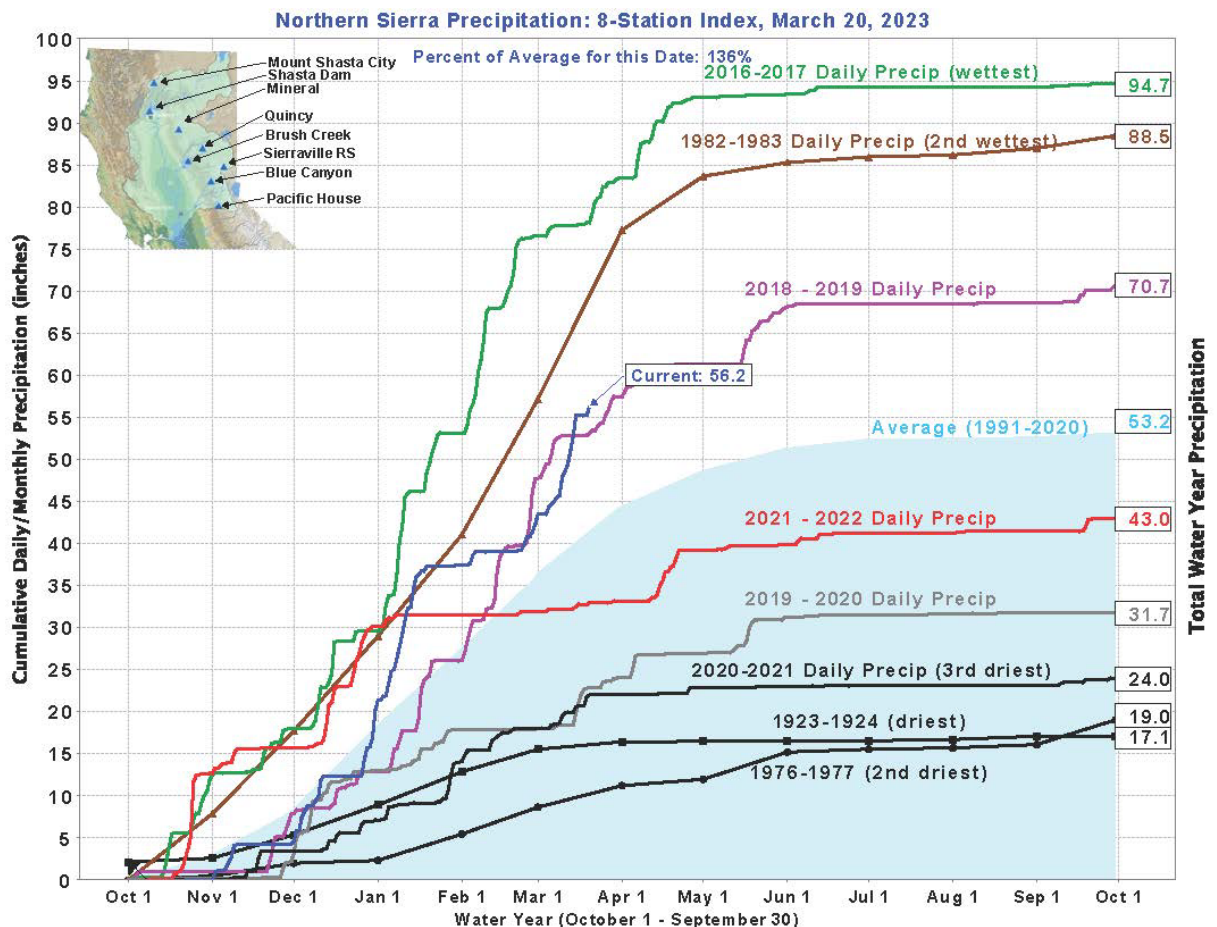
The District’s customers have cut their water use by **48.9%** from the baseline number of 231 re-established in the 2020 Urban Water Management Plan and met the 2020 Goal in early 2010. The current Metered-GPCD is 118 showing our customers’ reduced usage.

**Water Supply Information**

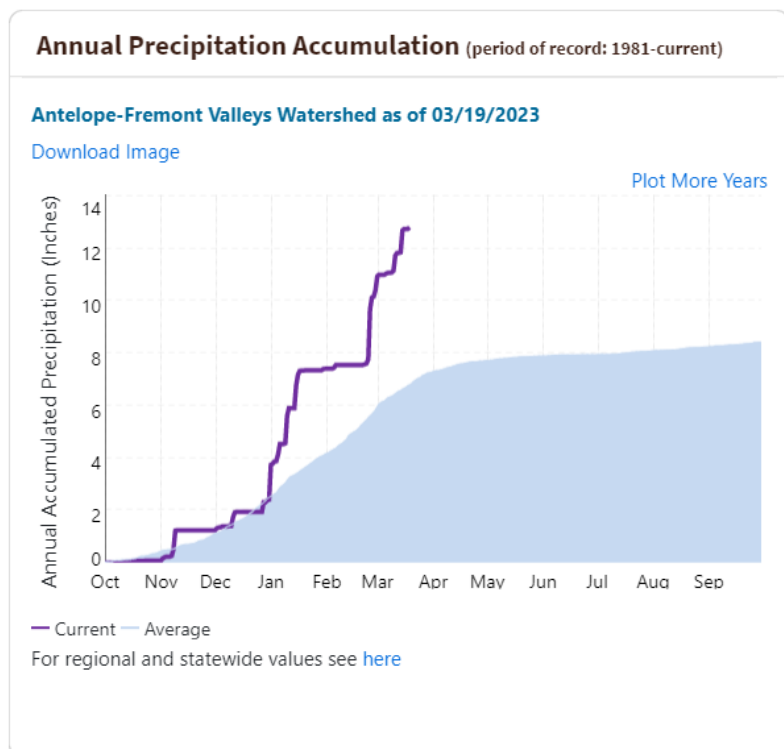
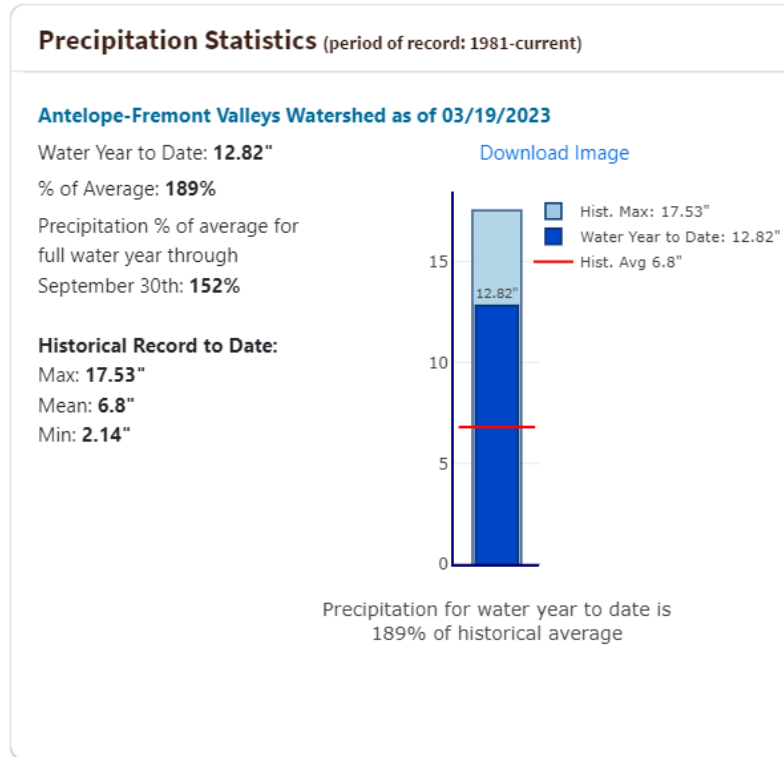
- The AV Adjudication is now entering its eighth year, and the rampdown to the native safe yield is complete. The District’s native groundwater right is 2,769.63 AF. The District’s 2023 groundwater rights will also include Carryover production rights from prior years, unused Federal Rights, and return flows from imported water. The final amounts will be determined within the next couple of months.
- The full 2023 Water Resources Plan is unknown at this time. Storms in December through February have pushed precipitation past the yearly average.

Precipitation in the area that contributes to the State Water Project is now at 106% of average for the entire 2022-2023 Water Year (October through September) and 136% for this date. The initial State Water Project allocation was set at 5% in December and updated to 35% in February. It will likely be updated again at the end of March 2023. Additionally, Littlerock Reservoir began to spill on January 10, 2023 and has continued to spill.

The March 20, 2023 Northern Sierra precipitation is as follows:



Locally, precipitation is at 152% of the average water year and 189% of average for this date as shown in the following illustrations:



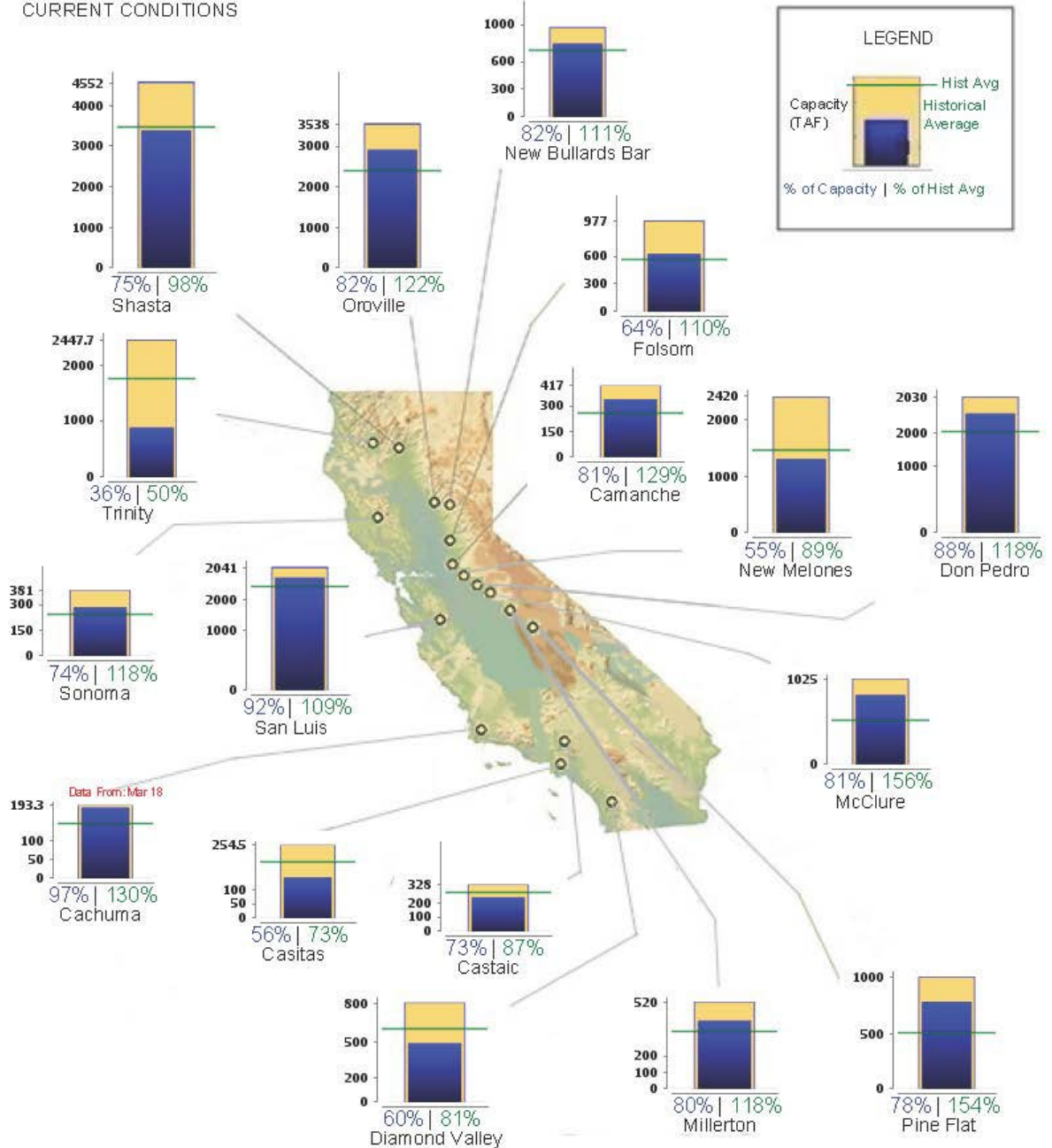
The March 20, 2023 major reservoir summary is as follows:



CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

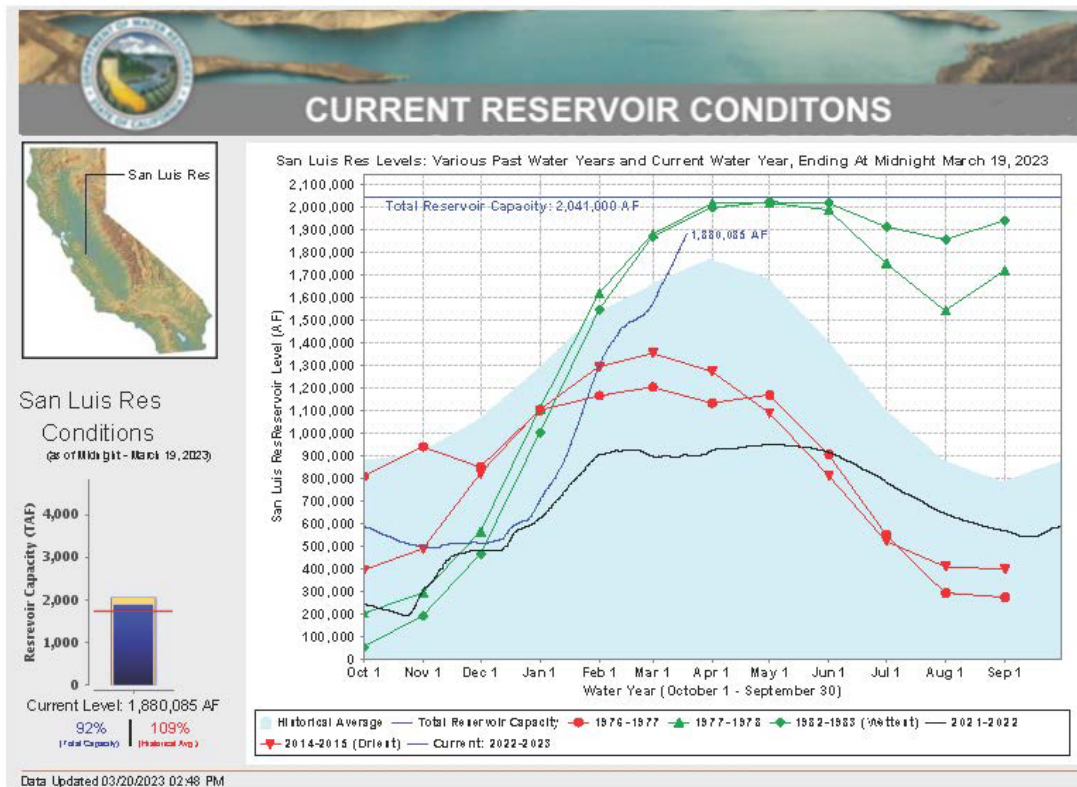
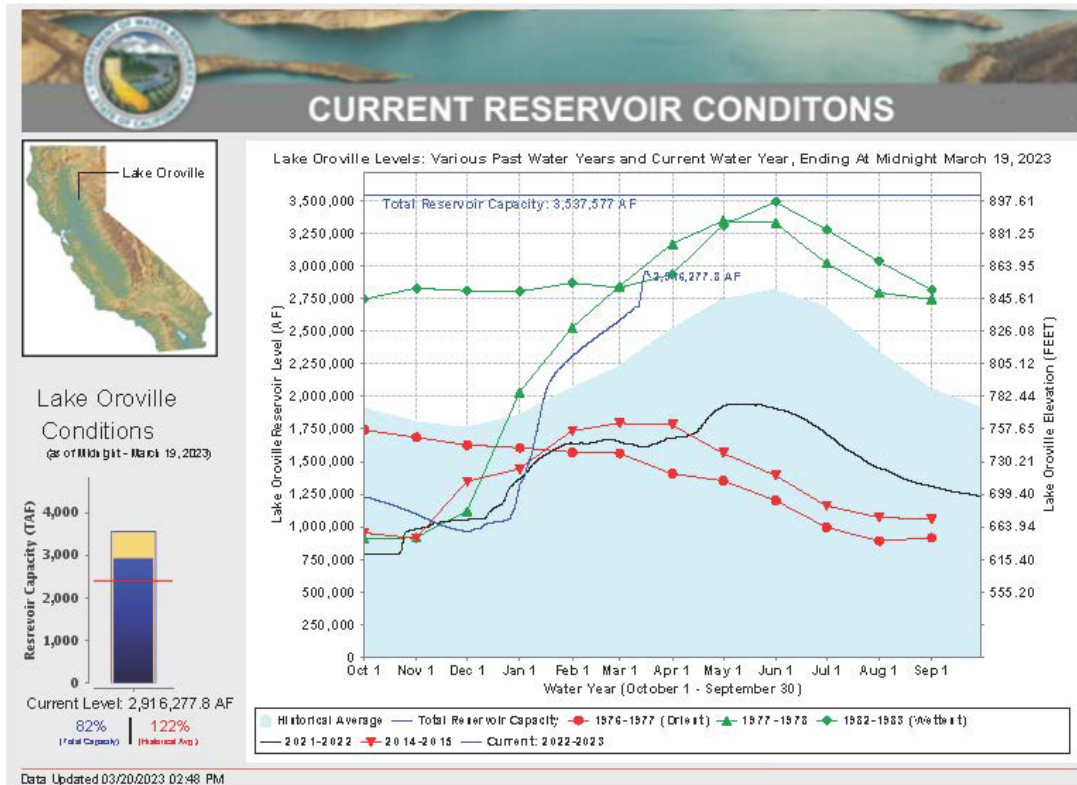
Midnight - March 19, 2023

CURRENT CONDITIONS



Updated 03/20/2023 02:48 PM

Detailed March 20, 2023 information for the reservoirs most important to the District, Oroville and San Luis Reservoirs, is as follows:





Another positive effect of the recent storms is a Northern Sierra snowpack that is 177% of the April 1 average. The following is a summary of the snowpack information.



CURRENT REGIONAL SNOWPACK FROM AUTOMATED SNOW SENSORS

% of April 1 Average / % of Normal for This Date



NORTH	
Data as of March 20, 2023	
Number of Stations Reporting	30
Average snow water equivalent (inches)	60.7
Percent of April 1 Average (%)	177
Percent of normal for this date (%)	181

CENTRAL	
Data as of March 20, 2023	
Number of Stations Reporting	48
Average snow water equivalent (inches)	58.6
Percent of April 1 Average (%)	221
Percent of normal for this date (%)	229

SOUTH	
Data as of March 20, 2023	
Number of Stations Reporting	29
Average snow water equivalent (inches)	57.8
Percent of April 1 Average (%)	268
Percent of normal for this date (%)	278

STATE	
Data as of March 20, 2023	
Number of Stations Reporting	107
Average snow water equivalent (inches)	56.2
Percent of April 1 Average (%)	218
Percent of normal for this date (%)	225

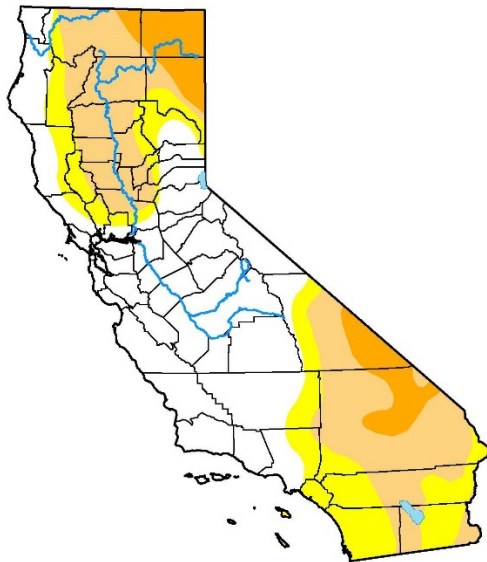
**Statewide Average: 218% / 225%**

Data as of March 20, 2023

2021-2023 Drought and District Response

- It is easy to see this year's conditions are getting better. The following map of California shows the levels of drought in the state as of February 14, 2023 and March 14, 2023. The severity of the drought is greatly reduced. This map is updated on a weekly basis and provides information that can help the District's planning.

**U.S. Drought Monitor  
California**



**March 14, 2023**  
(Released Thursday, Mar. 16, 2023)  
Valid 8 a.m. EDT

*Drought Conditions (Percent Area)*

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	44.86	55.34	36.42	8.49	0.00	0.00
<b>Last Week</b> 03-07-2023	26.84	73.16	43.06	19.00	0.00	0.00
<b>3 Months Ago</b> 12-13-2022	0.00	100.00	97.94	80.56	35.50	7.16
<b>Start of Calendar Year</b> 01-03-2023	0.00	100.00	97.93	71.14	27.10	0.00
<b>Start of Water Year</b> 09-27-2022	0.00	100.00	99.76	94.01	40.91	16.57
<b>One Year Ago</b> 03-15-2022	0.00	100.00	100.00	93.23	35.22	0.00

Intensity:



*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

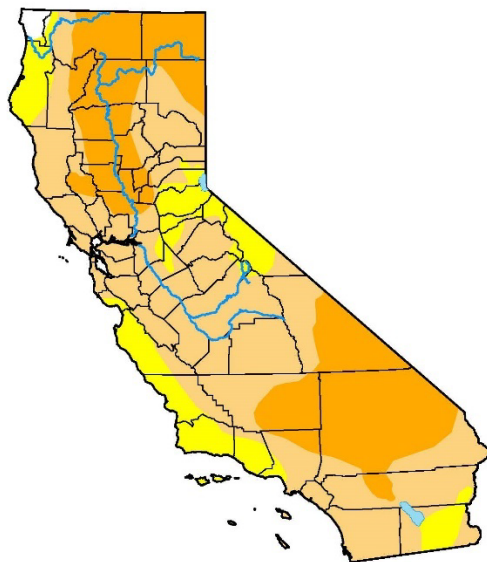
Author:

Brad Rippey  
U.S. Department of Agriculture



[droughtmonitor.unl.edu](http://droughtmonitor.unl.edu)

**U.S. Drought Monitor  
California**



**February 14, 2023**  
(Released Thursday, Feb. 16, 2023)  
Valid 7 a.m. EST

*Drought Conditions (Percent Area)*

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b>	0.64	99.36	84.60	32.62	0.00	0.00
<b>Last Week</b> 02-07-2023	0.64	99.36	84.60	32.62	0.00	0.00
<b>3 Months Ago</b> 11-15-2022	0.00	100.00	99.48	84.97	40.92	12.73
<b>Start of Calendar Year</b> 01-03-2023	0.00	100.00	97.93	71.14	27.10	0.00
<b>Start of Water Year</b> 09-27-2022	0.00	100.00	99.76	94.01	40.91	16.57
<b>One Year Ago</b> 02-15-2022	0.00	100.00	99.57	66.39	1.39	0.00

Intensity:



*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>*

Author:

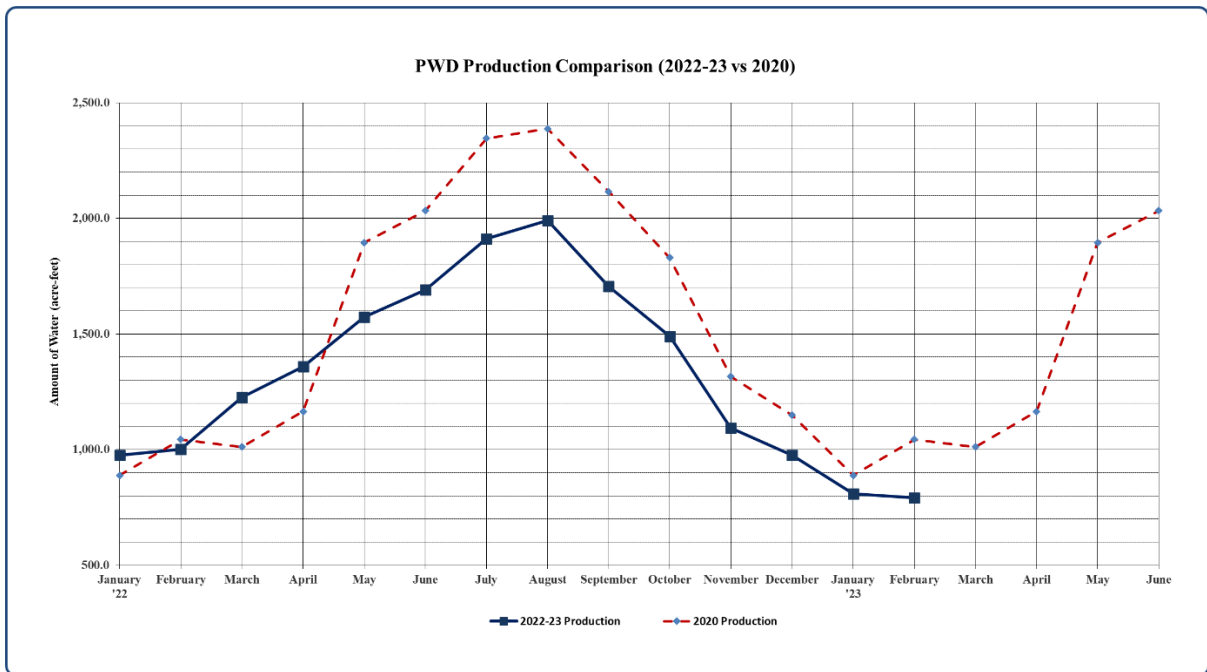
Brian Fuchs  
National Drought Mitigation Center



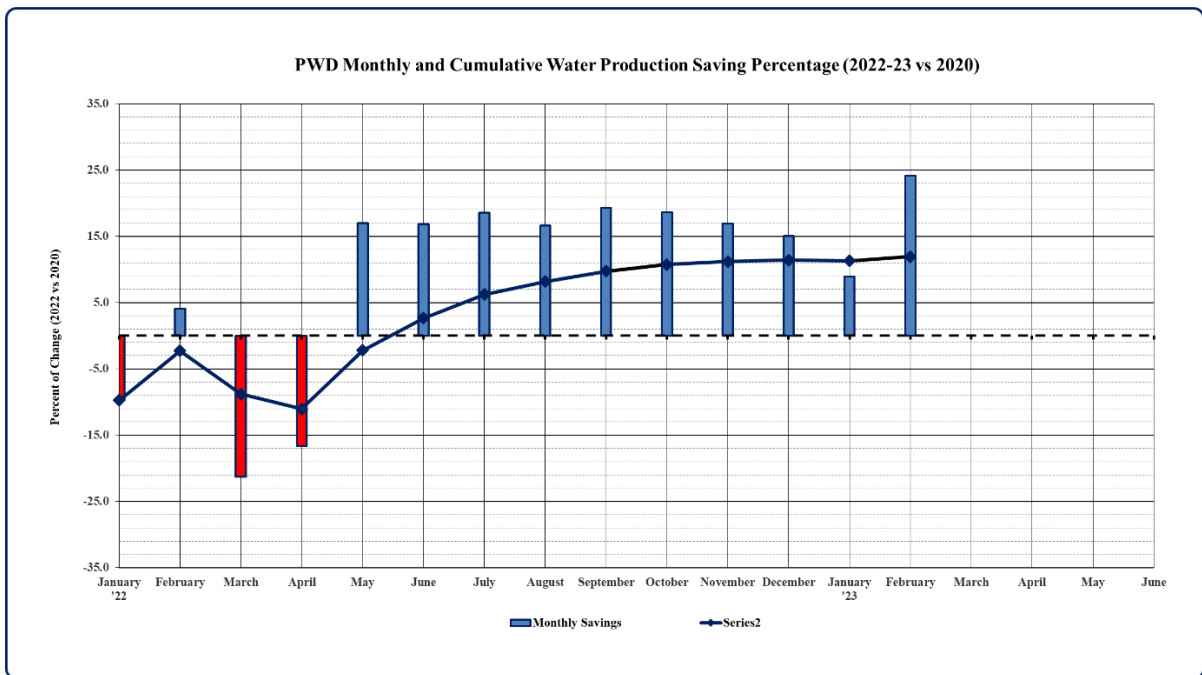
[droughtmonitor.unl.edu](http://droughtmonitor.unl.edu)

- The Board approved moving into mandatory conservation on April 11, 2022 by enacting Stage 2 at 20% reduction compared to 2020 water use. The goal of this action was to try to reduce water use by 3,000 AF from May to the end of the year. 2,640.5 AF were saved from May through the end of the year. 2022 water production was 11.4% below 2020.

The following graphs help to show the drought response by our customers. The first graph, “PWD Production Comparison (2022-23 vs 2020),” shows the monthly water production in both 2022-23 and 2020. Water production in January and February of this year continued to be below the 2020 levels. This shows the customers have done a good job of conserving water by turning off outdoor watering during and after rains.



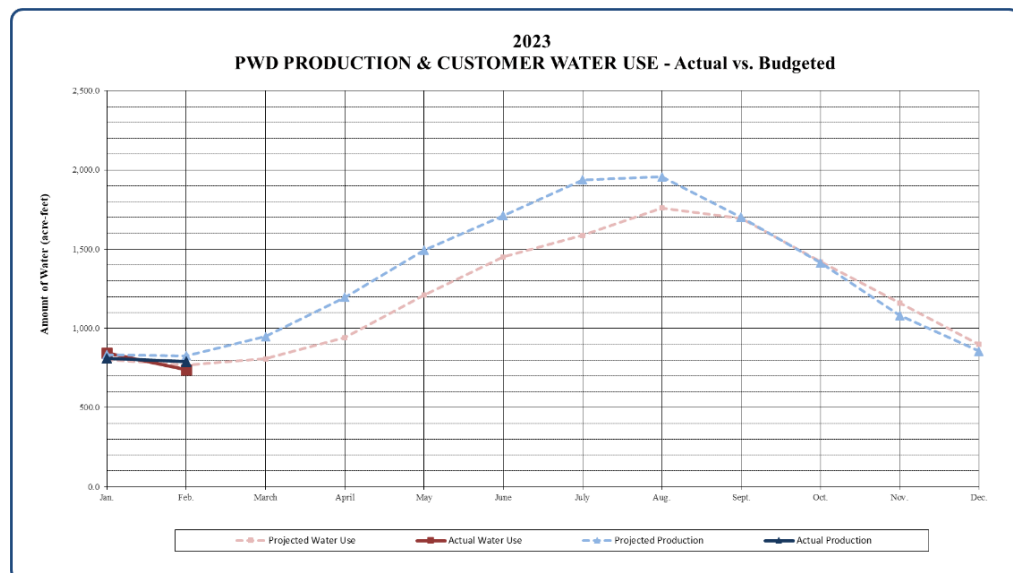
The second graph, “PWD Monthly and Cumulative Water Production Saving Percentage (2022-23 vs. 2020),” illustrates the difference between each month in 2022-23 and 2020. Less production, or savings, in 2022-23 is shown in blue and more production is shown in red. This shows that customers are responding to the drought from May 2022 to February 2023 with 24.2% in savings in February. It also shows the cumulative savings from January 2022 through February 2023 of 11.9%.

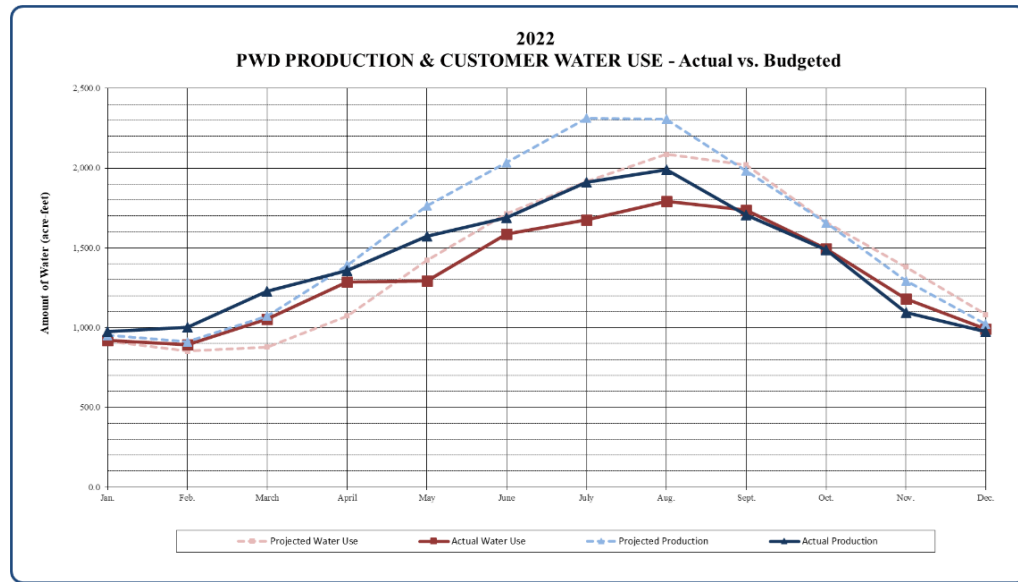


2023 and Historical Water Use Information

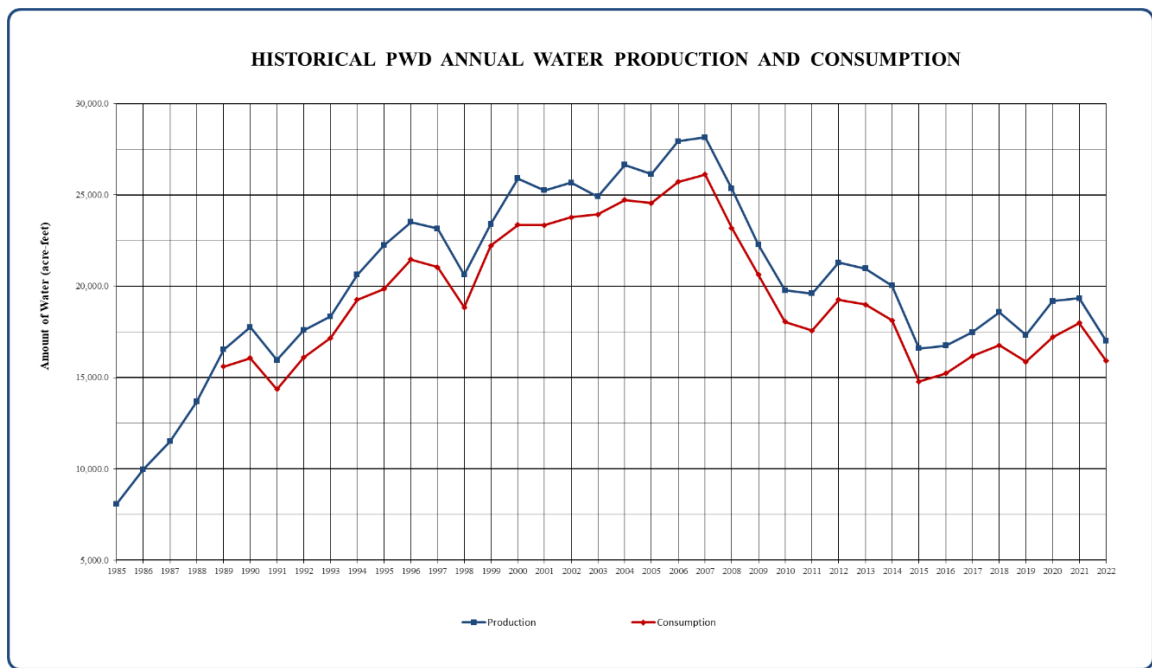
- The following graph is the projected monthly water consumption and production for 2023 based on the prior five years of actual monthly information. The projected total consumption is based on the 2023 Budget amount of 14,500 AF, an 8.8% reduction from 2022 actual water use. The actual 2022 consumption amount was 15,904.5 AF. This is a reduction of 11.6% from 2021 due to the drought conservation measures.

Actual amounts are shown through February 2023. The 2022 graph shows the projected and actual water use for that year.





The following graph shows the historical water production and consumption for the District over the last few decades. It is interesting to see that both water production and consumption now are very close to the early 1990's though the District has more customers.



Other Items

- The Littlerock Reservoir Sediment Removal Project (Project) Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was fully approved in 2017. The Project consists of three phases. The Grade Control Structure is Phase 1 and was completed in January 2020.

Phase II is the removal of 1.2 million cubic yards (CY) of sediment from the reservoir. Staff worked with Aspen Environmental to secure all the necessary permits for this year from Labor Day through December. The project was advertised, and bids were opened for the full first year of sediment removal. However, the bids were rejected due to the high costs. Staff negotiated with interested contractors on a smaller project for 2022, and the Board approved a contract with ICS. Work began the week of September 12, 2022 and ended in November due to rainfall. A total of 58,418 cubic yards, or 36 AF, of sediment were removed.

- The focus of using recycled water for a stable potable water supply has shifted to advanced water treatment and groundwater augmentation called Pure Water AV. The program management firm assisting the District with the project is Stantec. Current activities include evaluating delivery methods, branding, developing a funding strategy, and the preliminary demonstration facility design.

Staff is working the Sanitation Districts of Los Angeles County, District 20 (LASD) and the City of Palmdale as collaborators or partners in the project. Pure Water AV will put the already highly treated tertiary recycled water to a higher beneficial use and satisfies LASD's goals for use of the water. The City is interested in the project for the potential benefits to the area's parks and landscaping without the construction of a purple pipe distribution system.

- The Upper Amargosa Creek Recharge Project construction is complete. The project partners, City of Palmdale, LA County Waterworks, and AVEK are now finalizing the operation and maintenance agreement.

The City of Palmdale recently notified the project partners about the mitigation requirements and costs. The two stages, 11.28 acres and 38.72 acres, of mitigation are being finalized with the regulatory agencies. The estimated construction costs are \$1,715,662 and \$3,567,595, respectively, and will be built several years apart. The City received \$1,000,000 in grant funding toward the first phase costs. The District's anticipated share for the first phase is approximately \$75,000.

- Delta Conveyance Design and Construction Authority (DCA): This joint power authority is responsible for the environmental, design, and engineering of the project and works with the Department of Water Resources (DWR) on the project. The Board is now reorganized with more representation from smaller agencies. This includes adding two seats for the East Branch, Class 8, of the California Aqueduct. The agencies are AVEK, PWD, Littlerock Creek Irrigation District (LCID), Mojave Water Agency (MWA), Crestline-Lake Arrowhead Water Agency, San Gabriel Valley Municipal Water District,

San Bernardino Valley Municipal Water District (SBVMWD), San Geronio Pass Water Agency, Desert Water Agency, and Coachella Valley Water District (CVWD).

The Delta Conveyance Project (DCP) is moving to the next step of a Draft EIR/EIS (Draft) for the public's review. The Department of Water Resources released the Draft on July 27, 2022. The public review period is over and DWR is working to address comments received about the Draft. A Final EIR is expected late this year or early in 2024.



**Organizational Excellence**    *Train, Perform, Reward*

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

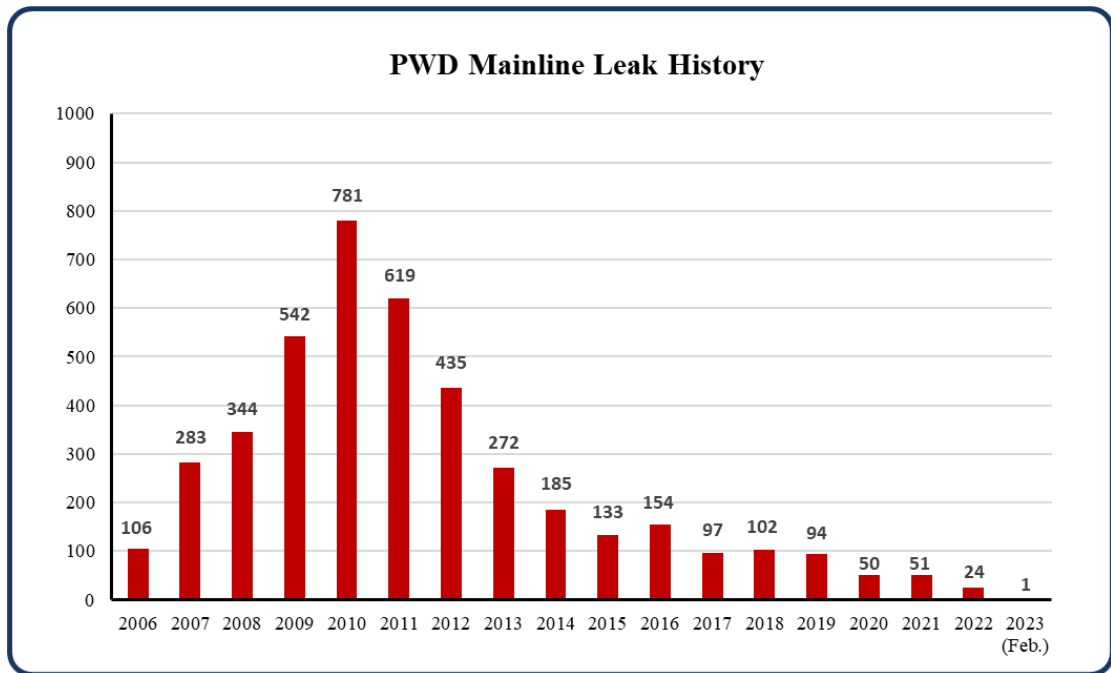
- Nearly 80 percent of the District's staff is required to have certifications or licenses issued by the State of California. Many of these have continuing education requirements which must be met by technical training. The District provides for this in several ways including hosting classes given by the California Rural Water Association, having a training budget for staff to attend conferences, and providing an education tuition allowance for each employee.
- COVID-19 Pandemic Response: District staff initiated a draft Pandemic Response Plan on March 4, 2020 as the State of California and County of Los Angeles issued declarations of emergency. The District's response throughout the pandemic did not affect the service to customers and highlighted a skilled and dedicated staff. The emergency is now over and transitions are being made in how customers are served, how public meetings are held, and how staff can perform their work.
- Despite the pandemic, the District has continued to find ways for internships and training opportunities for college and high school students who are interested in the water industry. The Board authorized paid internships for the remainder of 2022. Two interns worked with District staff in the Customer Care and Resource and Analytics areas.
- A salary survey with comparable water agencies was completed, changes incorporated into the 2023 Budget, and the results were approved by the Board of Directors in February 2023.



**Systems Efficiency**    *Independence, Technology, Research*

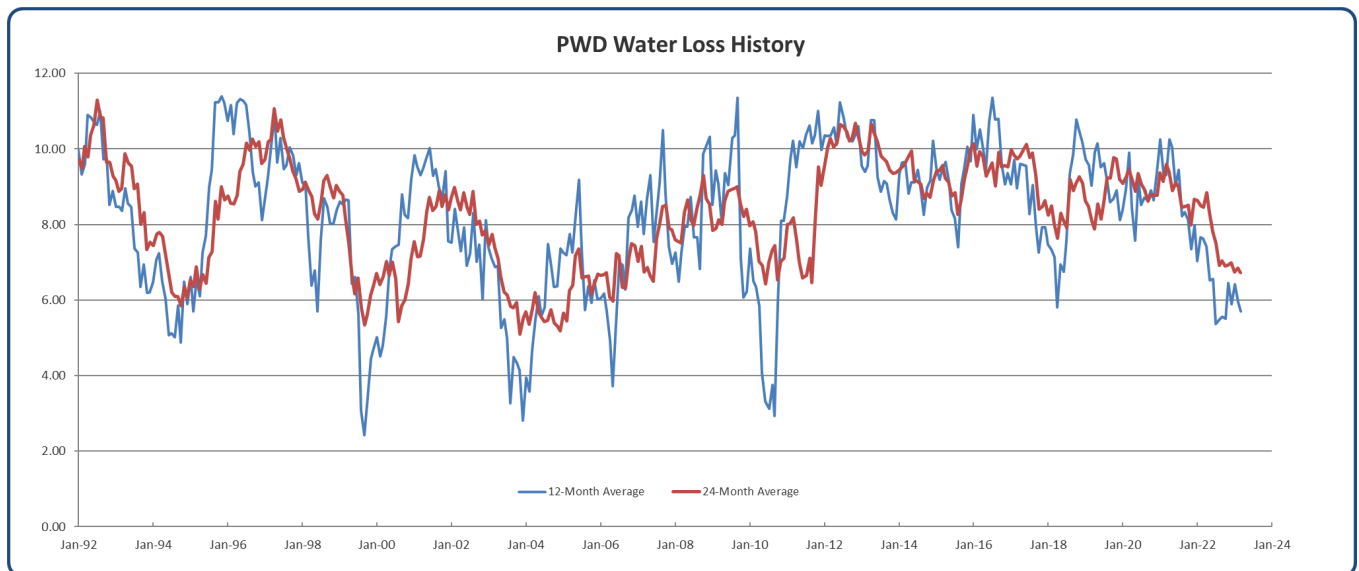
This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

- The effects of the District’s past efforts in replacing failing water mains can be seen in the reduced number of mainline leaks. The mainline leaks for 2022 total 24, one every 17 miles, with 88 service line leaks. This is a substantial change from the 781 mainline leaks, one every one-half mile, in 2010. There was one mainline leak in February 2023. This is illustrated in the following chart titled “PWD Mainline Leak History.”



- Additional water main replacement projects are being designed for construction as planned in the 2019 Water Rate Plan. Completed 2022 projects include the neighborhood replacement project bounded by Desert Sands Park, Avenue Q, Division Street, and 3<sup>rd</sup> Street East and in 10<sup>th</sup> Street East north of Avenue P. Several smaller projects off of 5<sup>th</sup> Street East, Avenue Q-10, and Avenue R and 12<sup>th</sup> Street East are also complete.
- The positive effect of both water main and water meter replacement programs is also shown on the chart titled “PWD Water Loss History.” The running average for water losses is running less than 8%.





- The use of batteries for backup power is complete at four booster facilities. This program was funded and managed by the California Public Utilities Commission. The grant funds went directly to Tesla and its contractors. The work consisted of installing pre-designed and assembled equipment at District facilities with minimal construction work at the sites.
- The District approved two solar PV projects to provide energy for wells, the clearwell booster, and the Leslie O. Carter Water Treatment Plant in December. One will be located north of the maintenance yard and will provide power for a set of wells. The other will be located between Avenue S and Avenue R-8 on the west side of the railroad tracks. It will provide power for the clearwell booster and Leslie O. Carter Water Treatment Plant.



### **Financial Health and Stability** *Strength, Consistency, Balance*

- The Littlerock Sediment Removal Project was awarded \$1,100,000 through the AVIRWMP Grant Program in the current round of funding due to Phase II being suspended. This grant is part of \$2.8M the District used for sediment removal last fall.
- The 2019 Water Rate Study and Proposition 218 was completed when the Board unanimously approved Resolution No. 19-15. This set the water rate structure and water rates for 2020-2024 and includes criteria to evaluate the District's financial condition each year. It gives the Board the ability to reduce the water rates if the District's financial position meets four (4) of the criteria in an annual review while preparing the following year's budget. These were reviewed while preparing the 2023 Budget.

Staff is beginning to collect information to prepared for new water rate study in 2024. The timeline is tentative at this time. The process will include issuing a request for

- proposals for a financial consultant, the development of forecasts of expenses and needed revenues, public input, and the adoption of a new water rate plan.
- Fitch Ratings reviewed the District’s bond rating in December 2022. The review affirmed the District’s rating with them of “A+” with a stable outlook. This is a good result considering the uncertainty of operating in the COVID-19 pandemic.
  - The District is seeking assistance from the State’s SAFER Program to provide water service to the Alpine Springs Mobile Home Park on Sierra Highway. It has poor water quality from its well, has several health violations, and now relies on hauled water. Maria Kennedy, Kennedy Communications, is experienced with these programs and is contracted with the District to accomplish it. An agreement is now in place to fund water hauling until the connection to the District is constructed and operational.



**Regional Leadership**    *Engage, Lead, Progress*

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA), AV Integrated Regional Water Management Plan (IRWMP), and Antelope Valley State Water Contractors Association have continued. The District has leadership positions in these organizations. District staff is active in the local chambers, AV EDGE, regional human resources, and public information organizations.
- The PWRA Board consists of two Palmdale City Councilmembers, two PWD Board members, and a public director, Zakeya Anson. Activities with PRWA are on hold as the District works on the Pure Water AV Project. Briefings are being scheduled with the two new city council members to provide background information on PRWA.
- The District staff has completed its portion of the work to transition Antelope Valley Watermaster Board (AVWB) administration to the Hallmark Group.
- The “PWD Water Ambassador Academy” (WAA) is scheduled in April 2023 and a one-day Junior WAA is being worked on for this year.
- The District and other members of the Public Water Agencies Group (PWAG) share the services of an Emergency Preparedness Coordinator. This approach also helped the District successfully comply with the America’s Water Infrastructure Act (AWIA) of 2018 and respond to the COVID-19 event.

- Staff has taken a lead role in developing and implementing a valley-wide mutual aid agreement for agencies and mutual water companies.

#### United Water Conservation District Memorandum of Understanding

The District and United Water Conservation District (United) approved a memorandum of understanding (MOU) to work cooperatively on projects where our interests overlap. These include internships and cooperation with community colleges, combined recreational funding for Piru and Littlerock Reservoir recreational improvements, and assistance and funding of advanced treatment of recycled or brackish water for potable use projects.

This MOU and our joint activities were the subject of a presentation given at the 2022 CSDA Annual Conference by United General Manager and me. The presentation and associated article were well received and generated positive interest and a number of questions.

There have been several meetings between District staff and United Human Resources staff to discuss apprenticeship programs, intern programs, and work with three community college districts to support water-related curriculum. The first action item from these meetings was the funding of PWD interns for 2022. Participation in interview panels and the development of a mutual aid agreement are also being done.

Recreation staff from United met with District staff and visited the Littlerock Recreation Area in March. They provided good advice and input on a rough plan for helping the Area open in 2024. Staff worked with the Angeles National Forest (ANF) as the first step in clearing the prior recreational concessionaire's property in the recreational area. All the property now belongs to the ANF. A hazardous material survey is being funded to begin the process of clearing the site.

Several other meetings have been held regarding the use of available State Water Project (SWP) supplies. District and United staffs are working with other East Branch SWP contractors on ways to recategorize water and avoid having water go unused. This is expected to make additional water available for United and the District. A draft term sheet will be drafted and presented to both Boards in early 2023 for SWP exchanges.

Additional coordination will also be focused on both agency's advanced water treatment projects. The United project will treat brackish groundwater for a potable use by the military. The PWD project, Pure Water AV, will treat tertiary water for potable use by our customers. Once Pure Water AV is more established, joint meetings with state and federal representatives will be held to get funding assistance. Staff also visited United's desilting basin in November to observe United's sediment removal process.

Lastly, I have proposed regular meetings of both Boards' liaisons and general managers. These will help us stay coordinated and make sure our efforts are productive despite the passing of Dr. Mathis. A meeting is scheduled in April and we will likely touch base at the ACWA Spring Conference in May.



**Customer Care, Advocacy, and Outreach** *Promote, Educate, Support*

This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The Board approved moving forward with a new supplier, meter brand, and reading system to replace the systems approved in September 2020. This transition is well underway.
- The ability to make payments at 7-Eleven and Family Dollar Store as well as all electronic forms of payment critical for customers during the COVID-19 event. Despite the open lobby, some customers have stayed with alternate payment methods.
- The Rate Assistance Program reached capacity by February. Staff continually monitors it for openings and will begin taking applications for 2023 in November 2022. The Board approved changes to the program to increase the funds, standardize the monthly assistance to \$20.00 per month, and provide assistance to 700 customer accounts in 2023. The program is fully enrolled as of the end of February.
- Staff successfully conducted virtual coffee meetings with Directors and their constituents, online "Let's Talk H2O" meetings, issued regular internal and public newsletters, coordinated drive-through giveaways for customers, an in-person customer appreciation day, monitored and maintained the District's social media, and assisted with information for the current drought. In-person workshops have also been held.
- Staff has finished updating the public website and beginning work to complete the intranet.