



PALMDALE WATER DISTRICT

A CENTURY OF SERVICE

BOARD OF DIRECTORS

ROBERT E. ALVARADO
Division 1

JOE ESTES
Division 2

MARCO HENRIQUEZ
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

DENNIS LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys



September 5, 2018

**AGENDA FOR REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
to be held at the District's office at 2029 East Avenue Q, Palmdale
MONDAY, SEPTEMBER 10, 2018
6:00 p.m.**

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

Additionally, 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 Dawn Deans at 661-947-4111 x1003 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 Dawn Deans al 661-947-4111 x1003 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 Dawn Deans at 661-947-4111 x1003 for public review of materials.

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

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

- 1) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.

- 4) Public comments for non-agenda items.
- 5) Presentations:
 - 5.1) None at this time.
- 6) Public comments on closed session agenda matters.
- 7) Closed session under:
 - 7.1) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with legal counsel regarding pending litigation to which the District is a party. The title of such litigation is as follows: *United States, et al. v. J-M Manufacturing Company, Inc., et al., United States District Court for the Central District of California; Case No. ED CV06-0055-GW.*
 - 7.2) Conference with Legal Counsel – Existing Litigation: A closed session will be held, pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel regarding existing litigation to which the District is a party. The title of such litigation is as follows: *Antelope Valley Ground Water Cases.*
- 8) Public report of any action taken in closed session.
- 9) 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.)
 - 9.1) Approval of minutes of regular meeting held August 27, 2018.
 - 9.2) Payment of bills for September 10, 2018.
 - 9.3) Approval of a Management Analyst position for the Administration Department to use depending on skills and duties required of staff. (No 2018 Budget Impact – Human Resources Director Emery/General Manager LaMoreaux/Personnel Committee)
 - 9.4) Approval of Resolution No. 18-9 being a Resolution of the Board of Directors of the Palmdale Water District Establishing a Reserve Fund for Repair or Replacement of PVC Pipe Manufactured by J-M Manufacturing Company, Inc. (No Budget Impact – General Manager LaMoreaux)
 - 9.5) Approval of Cooperation Agreement By and Between the Palmdale Water District and the Antelope Valley East Kern Water Agency (AVEK). (General Counsel Dunn/General Manager LaMoreaux)
 - 9.6) Approval of Representation Agreement By and Between the Palmdale Water District and Matt Knudson. (General Counsel Dunn/General Manager LaMoreaux)
- 10) 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.)

- 10.1) Consideration and possible action on revision of Article 4.13.2 of the District's Rules and Regulations to include the definition of the District's property address. (No Budget Impact – Director Mac Laren)
- 10.2) Consideration and possible action on revision to Article 4.12 of the District's Rules and Regulations to clarify the use of shirts or any items containing the District's logo for campaign purposes. (No Budget Impact – Director Alvarado)
- 10.3) Consideration and possible action on PWD / AVEK Exchange Agreement. (No Budget Impact – Deputy Water and Energy Resources Director Thompson II)
- 10.4) Consideration and possible action on authorization of the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2018 Budget:
 - a) None at this time.
- 11) Information Items:
 - 11.1) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) Personnel Committee
 - 11.2) Report of General Manager.
 - 11.3) Report of General Counsel.
- 12) Board members' requests for future agenda items.
- 13) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: September 5, 2018 **September 10, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Jennifer Emery, Human Resources Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 9.3 – APPROVAL OF A MANAGEMENT ANALYST POSITION FOR THE ADMINISTRATION DEPARTMENT TO USE DEPENDING ON SKILLS AND DUTIES REQUIRED OF STAFF. (NO 2018 BUDGET IMPACT – HUMAN RESOURCES DIRECTOR EMERY/GENERAL MANAGER LaMOREAUX/PERSONNEL COMMITTEE)***

Recommendation:

Staff and the Personnel Committee recommend that the Board approve a Management Analyst position for the Administration Department to use depending on skills and duties required of staff.

Alternative Options:

The alternative is to leave the position as Administrative Assistant.

Impact of Taking No Action:

A Management Analyst position for the Administration Department will not be developed.

Background:

Traditionally the Administrative Assistant position has been a support position for the Executive Assistant. This is a necessary position due to the many Boards and JPIAs that the District is involved in and accepts shared administrative responsibilities. This position has taken on a greater scope due to the Water Master responsibilities the Palmdale Water District has assumed. Staff is requesting to change the job title of the Administrative Assistant position to Management Analyst based on the increased responsibilities of this position and to remain competitive with other agencies.

PERSONNEL COMMITTEE
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

September 5, 2018

Staff would like to maintain the flexibility in the future to base the job title of this position on the level of expertise/analytical abilities necessary to complete the essential functions of the position. For succession planning purposes, this would allow this position to either be an analytical position if the District's needs required or an administrative support position if analytical skills were not required. No new job descriptions will be required as both of these titles are active job descriptions, and this change does not add a position to the Organizational Chart.

Strategic Plan Initiative/Mission Statement:

This work is part of Strategic Plan Initiative No. 2 – Organizational Excellence and Strategic Plan Initiative No. 5 – Regional Leadership.

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

Budget:

This update will not have an effect on the 2018 budget and will be factored into the 2019 budget.

Supporting Documents:

N/A

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: September 5, 2018 **September 10, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 9.4 – APPROVAL OF RESOLUTION NO. 18-9 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING A RESERVE FUND FOR REPAIR OR REPLACEMENT OF PVC PIPE MANUFACTURED BY J-M MANUFACTURING COMPANY, INC. (NO BUDGET IMPACT – GENERAL MANAGER LaMOREAUX)***

Recommendation:

Staff recommends the Board approve Resolution No. 18-9 being a Resolution of the Board of Directors of the Palmdale Water District Establishing a Reserve Fund for Repair or Replacement of PVC Pipe Manufactured by J-M Manufacturing Company, Inc.

Alternative Options:

There is no alternative option.

Impact of Taking No Action:

The Board must take action on this item in order to be awarded damages.

Background:

The District has been involved in litigation with J-M Manufacturing Company, Inc. for some time. A trial to determine damages is scheduled to begin October 9, 2018, and Resolution No. 18-9 must be in place for the District to be awarded any damages.

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:

Adoption of Resolution No. 18-9 will have no impact on the budget.

Supporting Documents:

- Resolution No. 18-9

RESOLUTION NO. 18-9

RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ESTABLISHING A RESERVE FUND FOR REPAIR OR REPLACEMENT OF PVC PIPE MANUFACTURED BY J-M MANUFACTURING COMPANY, INC.

WHEREAS, Palmdale Water District is an irrigation district operating under the Irrigation District law, commencing with Section 20500 of the California Water;

WHEREAS, during the period from 1996 to 2006, Palmdale Water District acquired, purchased and/or installed as a part of its water delivery facilities PVC pipe (hereinafter “J-M Pipe”) manufactured by J-M Manufacturing Company, Inc. (hereinafter “J-M”) currently doing business as JM Eagle™;

WHEREAS, Palmdale Water District, along with other governmental entities and agencies (the “Government Entities”), filed a legal action in United States District Court for the Central District of California, Case No. ED CV06-00055-GW (the “J-M Litigation”) to recover damages and civil penalties from J-M arising from false statements and claims made, and caused to be made, about the J-M Pipe;

WHEREAS, on November 14, 2013, a Jury found J-M liable for making false representations to the Palmdale Water District regarding the uniform compliance of J-M Pipe with certain industry standards required to be met by the Palmdale Water District in certain of the Palmdale Water District’s projects as set forth in the Jury’s Verdict (the “Projects”).

WHEREAS, a trial is scheduled to commence on October 9, 2018 to determine the damages to be awarded to the Palmdale Water District as a result of J-M’s false representations (“Damages Trial”);

WHEREAS, Palmdale Water District may establish and maintain reserve funds for capital improvement and replacement projects; and

WHEREAS, Palmdale Water District desires to establish a reserve fund to place the damages awarded by the jury in the Damages Trial and received by the Palmdale Water District (the “Damages”) for the purpose of repair and/or replacement of J-M Pipe installed in the Projects;

NOW, THEREFORE, Palmdale Water District does resolve, declare, determine, and order as follows:

1. The matters set forth in the recitals to this Resolution are true and correct statements.

2. Palmdale Water District shall create a separate reserve account entitled the “the J-M Pipe Replacement Reserve Account.”

3. The Damages recovered in connection with the JM Litigation shall be retained by Palmdale Water District and placed in the J-M Pipe Replacement Reserve Account to be used exclusively to pay for the repair and/or replacement of J-M Pipe in the Projects.

4. The J-M Replacement Reserve Account shall be maintained until depleted.

5. This Resolution shall become effective September 20, 2018.

PASSED, SIGNED AND ADOPTED at a meeting of the Board of Directors of the Palmdale Water District held on the 10th day of September 2018, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

By: _____

Title: President, Board of Directors

ATTEST:

By: _____

Secretary

APPROVED AS TO FORM:

By: _____

Aleshire & Wynder, General Counsel

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: September 5, 2018 **September 10, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 9.5 – APPROVAL OF COOPERATION AGREEMENT BY AND BETWEEN THE PALMDALE WATER DISTRICT AND THE ANTELOPE VALLEY EAST KERN WATER AGENCY (AVEK). (GENERAL COUNSEL DUNN/GENERAL MANAGER LaMOREAUX)*

Recommendation:

Staff recommends the Board approve the Cooperation Agreement By and Between the Palmdale Water District and the Antelope Valley East Kern Water Agency (AVEK).

Alternative Options:

There is no alternative option.

Impact of Taking No Action:

The Board must take action on this item in order to retain a witness for trial.

Background:

The District has been involved in litigation with J-M Manufacturing Company, Inc. for some time. Former Assistant General Manager, Matt Knudson, has been involved with this litigation as a key witness for the District. The Cooperation Agreement will enable the District to retain Mr. Knudson as a key witness in the upcoming damages trial.

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:

Fees paid through the Cooperation Agreement will be funded through the Administration budget.

Supporting Documents:

- Cooperation Agreement

**COOPERATION AGREEMENT BY AND
BETWEEN THE PALMDALE WATER
DISTRICT AND THE ANTELOPE VALLEY-
EAST KERN WATER AGENCY**

This COOPERATION AGREEMENT (herein “**Agreement**”) is made and entered into this ____th day of September 2018, by and between, the PALMDALE WATER DISTRICT, a California public agency (“**District**”), and the ANTELOPE VALLEY-EAST KERN WATER AGENCY, a California public agency (“**AVEK**”). District and AVEK are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. Matt Knudson (“**Knudson**”) was employed by the District from July 12, 1991 through June 1, 2017 as its Assistant General Manager.

B. On or about March 2010, the District became a plaintiff in the following cases (1) United States, the States of California, Delaware, Florida, Nevada, and Tennessee and the Commonwealths of Massachusetts and Virginia ex rel. John Hendrix v. J-M Manufacturing Company, Inc. and Formosa Plastics Corporation, U.S.A., Civil Action No, ED CV06-0055GW, United States District Court for the Central District of California (“Civil Action No. ED CV06-0055-GW”), and (2) Los Angeles County Superior Court, Case No BC459943 State of Nevada, et al. v. J-M Manufacturing, et al. (“Case No, BC459943”) (collectively “**Pending Litigation**”).

C. Knudson in his role with the District was involved in all of the District’s day-to-day administration and operations. In addition, he was the person primarily responsible for regularly interacting with the District’s legal counsel and acting in the capacity of the “person most knowledgeable” for the District with respect to the Pending Litigation.

D. Knudson accepted a position with, and is now employed by, the Antelope Valley-East Kern Water Agency (“**AVEK**”). Knudson is no longer a District employee.

E. Knudson is not a named or intervening party, or a real party, in the Pending Litigation.

F. Based on Knudson’s extensive knowledge extensive familiarity with the District, and as the District’s primary representative in the Pending Litigation, the District desires that Knudson to continue to act as its representative for purpose of the Pending Litigation as provided in this Agreement.

G. The District desires and AVEK agrees to allow Knudson represent the District and act as the District’s representative in the Pending Litigation pursuant to the terms and conditions of this Agreement.

OPERATING PROVISIONS

NOW, THEREFORE, the parties hereto agree as follows:

1. Availability. AVEK agrees to make Knudson available to the District at such times as reasonably necessary for him to act as the District's representatives in the Pending Litigation for purposes of: (1) interacting and coordinating logistics and strategies with the District and its legal counsel; and, (2) prepared to testify and testify on behalf of the District in the Pending Litigation. The District retains the right to revoke, at its sole and absolute discretion, Knudson's authorization to act as the District's representative at any time.

2. Coordination. To the extent reasonably possible, the District shall coordinate with AVEK to schedule Knudson's representation of the District in the Pending Litigation at such time and in a manner to minimize any interruption of Knudson's duties and responsibilities at AVEK. Notwithstanding, AVEK understands that the Courts and opposing counsel may require Knudson's participation in the Pending Litigation which is beyond the control of the District. In that event, the District shall make reasonable efforts to provide AVEK with advance notice and attempt to coordinate Knudson's participation in the Pending Litigation to lessen any impact on his duties and responsibilities at AVEK.

3. Protected Information. In connection with representation of the District in the Pending Litigation, Knudson will be receiving certain confidential, trade secrets and/or privileged information, including information covered by the Plaintiffs' Joint Prosecution and Common Interest Agreement and/or information covered by any protected orders in the Pending Litigation ("Protected Information") that cannot be disclosed to any other person other than the District and its legal counsel. Knudson shall maintain and store such confidential information and all other information related to the Pending Litigation in a secure location and shall not commingle such confidential information with AVEK's computer systems, records, and documents. Knudson shall receive all electronic communications by a separate account unrelated to AVEK's computer and electronic communication systems.

4. Term. Unless termination earlier pursuant to Section 6, this Agreement shall be in full force and effect until conclusion of the Pending Litigation.

5. Reimbursement.

5.1. Hourly Rate. The District agrees to reimburse AVEK the actual cost of Knudson's time in connection with acting as the District's representative in the Pending Litigation. The amount of time shall be calculated by AVEK based on the number of hours that Knudson is representing the District in the Pending

Litigation at a time when Knudson would otherwise be performing his duties and responsibilities during regular business hours for AVEK. The hourly rate shall be \$_____.

5.2. Invoices. AVEK shall submit monthly invoices to the District itemizing the costs of accrued reimbursable expenses for Knudson’s time in representing the District.

The District shall independently review each invoice submitted by the Knudson to determine whether the work performed and costs incurred are in compliance with the provisions of this agreement. The District will use its best efforts to pay AVEK within forty-five (45) days of receipt of AVEK’s correct and undisputed invoice. In the event any charges are disputed by the District, the original invoice shall be returned by the District to AVEK for correction and resubmission.

6. Termination. Either party may terminate this Agreement at any time and for any reason upon thirty (30) days prior written notice to the other party.

7. General Provisions.

7.1. Recitals. The recitals stated at the beginning of this Agreement of any matters or facts shall be conclusive proof of the truthfulness thereof and the terms and conditions of the recitals, if any, shall be deemed a part of this Agreement.

7.2. Notices. All notices, approvals, and acceptances, requests, demands, demands and other communications required or permitted, to be effective, shall be in writing and shall be delivered, either in person or by mailing the same by the United States mail (postage prepaid, registered, or certified, return receipt requested) or by Federal Express or other similar overnight delivery service, to the other party whom the notice is directed at the address of such party as follows:

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

AVEK: Antelope Valley-East Kern Water Agency
Attn: General Manager
6450 West Avenue N
Palmdale, CA 93551

Any communications given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address.

7.3. Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

7.4. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California with venue proper only in the County of Los Angeles, State of California.

7.5. Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

7.6. Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

7.7. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

7.8. Authority. The individuals executing this Agreement represent and warrant that they have the authority to enter into this Agreement and perform all acts required by this Agreement, and that the consent, approval, or execution of or

by any third party is not required to legally bind either party to the terms and conditions of this Agreement.

7.9. Survival. Notwithstanding any provisions to the contrary, the obligations set forth in Sections 3, above, shall survive in full force despite the termination of this Agreement.

7.10. Assignment. This Agreement shall not be assigned without the prior written consent of the District, who shall have the sole discretion to consent or not to consent to any proposed assignment. Any attempted assignment without the approval of the District party shall be void.

7.11. Entire Agreement. This Agreement contains the entire understanding and agreement of the parties, and supersedes all prior agreements and understandings, oral and written, between the parties. There have been no binding promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature, except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives its future right to claim, contest or assert that this Agreement was modified canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

DISTRICT:
PALMDALE WATER DISTRICT,
a California public agency

Dennis D. LaMoreaux, District General Manager

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Eric Dunn, General Counsel

AVEK:
ANTELOPE VALLEY-EAST KERN WATER AGENCY,
a California public agency

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Address: _____

PALMDALE WATER DISTRICT
BOARD MEMORANDUM

DATE: September 5, 2018 September 10, 2018
TO: BOARD OF DIRECTORS Regular Board Meeting
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 9.6 – APPROVAL OF REPRESENTATION AGREEMENT
BY AND BETWEEN THE PALMDALE WATER DISTRICT AND MATT
KNUDSON. (GENERAL COUNSEL DUNN/GENERAL MANAGER
LaMOREAUX)*

Recommendation:

Staff recommends the Board approve the Representation Agreement By and Between the Palmdale Water District and Matt Knudson.

Alternative Options:

There is no alternative option.

Impact of Taking No Action:

The Board must take action on this item in order to retain a witness for trial.

Background:

The District has been involved in litigation with J-M Manufacturing Company, Inc. for some time. Former Assistant General Manager, Matt Knudson, has been involved with this litigation as a key witness for the District. The Representation Agreement will enable the District to retain Mr. Knudson as a key witness in the upcoming damages trial.

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:

Fees paid through the Representation Agreement will be funded through the Administration budget.

Supporting Documents:

- Representation Agreement

**REPRESENTATION AGREEMENT BY AND
BETWEEN THE PALMDALE WATER
DISTRICT AND MATT KNUDSON**

This REPRESENTATION AGREEMENT (herein “**Agreement**”) is made and entered into this ___th day of September 2018, by and between, the PALMDALE WATER DISTRICT, a California public agency (“**District**”), and MATT KNUDSON, an individual (“**Knudson**”). District and Knudson are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.”

RECITALS

A. Knudson was employed by the District from July 12, 1991 through June 1, 2017 as its Assistant General Manager.

B. On or about March 2010, the District became a plaintiff in the following cases (1) United States, the States of California, Delaware, Florida, Nevada, and Tennessee and the Commonwealths of Massachusetts and Virginia ex rel. John Hendrix v. J-M Manufacturing Company, Inc. and Formosa Plastics Corporation, U.S.A., Civil Action No, ED CV06-0055GW, United States District Court for the Central District of California (“Civil Action No. ED CV06-0055-GW”), and (2) Los Angeles County Superior Court, Case No BC459943 State of Nevada, et al. v. J-M Manufacturing, et al. (“Case No, BC459943”) (collectively “**Pending Litigation**”).

C. Knudson in his role with the District was involved in all of the District’s day-to-day administration and operations. In addition, he was the person primarily responsible for regularly interacting with the District’s legal counsel and acting in the capacity of the “person most knowledgeable” for the District with respect to the Pending Litigation.

D. Knudson accepted a position with, and is now employed by, the Antelope Valley-East Kern Water Agency (“**AVEK**”). Knudson is no longer a District employee.

E. Knudson is not a named or intervening party, or a real party, in the Pending Litigation.

F. Based on Knudson’s extensive knowledge extensive familiarity with the District, and as the District's primary representative in the Pending Litigation, the District desires that Knudson continue to act as its representative for purpose of the Pending Litigation as provided in this Agreement.

G. Pursuant to a separate agreement, AVEK has consented to Knudson continuing to act as the District’s representative in the Pending Litigation with the District reimbursing AVEK for the actual costs of Knudson’s time in providing such representation.

H. The District and Knudson agree that Knudson will represent the District and act as the District's representative in the Pending Litigation pursuant to the terms and conditions of this Agreement.

OPERATING PROVISIONS

NOW, THEREFORE, the parties hereto agree as follows:

1. Scope of Services. The District authorizes Knudson to act as its representative in the Pending Litigation for purposes of: (1) interacting and coordinating logistics and strategies with the District and the District's legal counsel, and, (2) prepare to testify and testify on behalf of the District in the Pending Litigation. The District retains the right to revoke, at its sole and absolute discretion, Knudson's authorization to act as the District's representative at any time.

To the extent, Knudson acts as a witness in the Pending Litigation, the District agrees to have its legal counsel represent Knudson. Knudson agrees to be represented by the District's legal counsel.

2. Cooperation; Communications. In terms of interacting and coordinating logistics and strategies with the District's legal counsel, Knudson agrees to promptly cooperate and communicate with the District on all matters related to the Pending Litigation. Prior to taking any action and directing the District's legal counsel, Knudson shall use his best efforts to timely communicate and obtain direction from the District with respect to the Pending Litigation. Both Parties understand that all actions taken by Knudson shall have the same effect as if the District took the same action.

3. Term. Unless termination earlier pursuant to Section 8, this Agreement shall be in full force and effect until conclusion of the Pending Litigation.

4. Coordination. To the extent reasonably possible, the District shall coordinate with Knudson to schedule his representation of the District in the Pending Litigation at such time and in a manner to minimize any interruption of Knudson's duties and responsibilities at AVEK. Notwithstanding, Knudson understands that the Courts and opposing counsel may require, participation in the Pending Litigation which is beyond the control of the District. In that event, the District shall make reasonable efforts to provide Knudson with advance notice and attempt to coordinate Knudson's participation in the Pending Litigation to lessen any impact on his duties and responsibilities at AVEK.

5. Protected Information. The term "Protected Information" as used herein means, collectively: (i) all information, communications, documents and materials furnished to, by or on behalf of the District or its legal counsel related to the Pending Litigation; (ii) all analyses, notes,

summaries or computer files generated for the Pending Litigation; (iii) all communications, meetings and discussions in connection with the Pending Litigation; and (iv) confidential, trade secret and/or privileged information, including information covered by the Plaintiffs' Joint Prosecution and Common Interest Agreement and/or information covered by any protective orders in the Pending Litigation; all of which cannot be disclosed to any person other than the District and its legal counsel or as otherwise provided for under orders of the Courts.

At any time, and within five (5) business days after the District's request, Knudson shall return to the District the Protected Information and any and all records, notes and other written, printed, or tangible materials pertaining to the Pending Litigation. Knudson agrees to keep and maintain confidential the Protected Information and only use the Protected Information for purposes related to the Pending Litigation. Knudson will not disclose the Protected Information or permit it to be disclosed to any person; provided, however, that the Protected Information may be disclosed (and copies provided) to the legal counsel representing the District in the Pending litigation.

Knudson shall maintain and store the Protected Information and all other information related to the Pending Litigation in a secure location and shall not commingle the Protected Information with AVEK's computer systems, records and documents. Knudson shall receive all electronic communications by a separate account unrelated to AVEK's computer and electronic communication systems.

6. Privileges. All of the work that Knudson performs in representing the District under this Agreement, aside from any testimony or submission of declarations not designated as confidential under any applicable protective orders, is confidential and should be considered to be privileged under applicable attorney-client and work-product privileges with respect to the Pending Litigation. All communications with the District's legal counsel relating to the District's legal counsel work, including verbal statements, documents, tangible objects and intangible objects, conveyed to Knudson by the District or its legal counsel, as well as Knudson's communications to the District and its legal counsel, are communications for the purpose of obtaining legal advice and are privileged as attorney-client communications under state and federal law including, but not limited to, California Evidence Code section 954 and Federal Rules of Evidence, Rule 501.

In addition, because Knudson is working as a representative of the District in connection with the District's legal counsel, all of Knudson's activities relating to the scope of work described above, including interviews, statements, memoranda, correspondence, reports, mental impressions, personal beliefs, and other tangible and intangible items are protected from disclosure as attorney work product. Nothing in Knudson's communications or dealings with the District and its legal counsel is to be construed as a waiver of the attorney-client or

attorney work product privileges unless there is a written waiver of the particular privilege by the District.

Further, all of the work that Knudson performs in representing the District under this Agreement, aside from any testimony or submission of declarations not designated as confidential under any applicable protective orders, is intended to be covered under the Joint Prosecution and Common Interest Agreement and any other applicable common-interest privileges and doctrines.

Nothing in Knudson's communications or dealings with the District and its legal counsel is to be construed as a waiver of the attorney-client, or attorney work product or common-interest privileges or doctrines unless there is a written waiver of the particular privilege by the District.

7. Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the "documents and materials") prepared by Knudson in the performance of this Agreement shall be the property of the District and shall be delivered to the District upon request of the General Manager or upon the termination of this Agreement, and Knudson shall have no claim for further employment or additional compensation as a result of the exercise by the District of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder.

8. Termination. Either party may terminate this Agreement at any time and for any reason upon thirty (30) days prior written notice to the other party. Within five (5) days of termination of this Agreement, Knudson shall return to the District the Protected Information and any and all records, notes and other written, primed, or tangible materials pertaining to the Pending Litigation. After termination, Knudson shall not disclose any Protected Information to any person unless authorized in writing by the District.

9. District's Preservation of Authority. The intent of this Agreement is not to be construed to limit, in any way, the power of District or any of its current employees to act on its behalf for purposes of the Pending Litigation.

10. Reimbursement.

10.1. Hourly Rate. The District agrees to reimburse Knudson for his time spent in connection with acting as the District's representative in the Pending Litigation. The amount of time shall be calculated based on the number of hours that Knudson is representing the District in the Pending Litigation at a time when Knudson would not otherwise be performing his duties and responsibilities during regular business hours for AVEK. The hourly rate shall be \$_____.

Notwithstanding the above, Knudson understand and agrees that he will not be reimbursed by the District for his time testifying as a witness in deposition or in court, except to the extent provided for or allowed by the law.

10.2. Costs. The District agrees to reimburse Knudson the actual cost of any expenses incurred by Knudson in connection with acting as the District’s representative in the Pending Litigation. To the extent reasonably feasible Knudson will obtain the District’s prior authorization before incurring any such expenses.

10.3. Invoices. Knudson shall submit to the District an original invoice for all work performed and costs incurred during the preceding month in a form approved by the District General Manager.

The District shall independently review each invoice submitted by the Knudson to determine whether the work performed and costs incurred are in compliance with the provisions of this agreement. The District will use its best efforts to pay Knudson within forty-five (45) days of receipt of Knudson’s correct and undisputed invoice. In the event any charges are disputed by the District, the original invoice shall be returned by the District to Knudson for correction and resubmission.

11. General Provisions.

11.1. Recitals. The recitals stated at the beginning of this Agreement of any matters or facts shall be conclusive proof of the truthfulness thereof and the terms and conditions of the recitals, if any, shall be deemed a part of this Agreement.

11.2. Notices. All notices, approvals, and acceptances, requests, demands, demands and other communications required or permitted, to be effective, shall be in writing and shall be delivered, either in person or by mailing the same by the United States mail (postage prepaid, registered, or certified, return receipt requested) or by Federal Express or other similar overnight delivery service, to the other party whom the notice is directed at the address of such party as follows:

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

Knudson:

Matt Knudson

Address: _____

Any communications give my mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address.

11.3. Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

11.4. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California with venue proper only in the County of Los Angeles, State of California.

11.5. Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

11.6. Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees, whether or not the matter proceeds to judgment.

11.7. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

- 11.8. Authority.** The individuals executing this Agreement represent and warrant that they have the authority to enter into this Agreement and perform all acts required by this Agreement, and that the consent, approval, or execution of or by any third party is not required to legally bind either party to the terms and conditions of this Agreement.
- 11.9. Survival.** Notwithstanding any provisions to the contrary, the obligations set forth in Sections 6, above, shall survive in full force despite the termination of this Agreement.
- 11.10. Assignment.** This Agreement is personal to Knudson. As such, Knudson has no right to assign any part of this Agreement, or any part of its obligations under this Agreement in whole or in part.
- 11.11. Entire Agreement.** This Agreement contains the entire understanding and agreement of the parties, and supersedes all prior agreements and understandings, oral and written, between the parties. There have been no binding promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature, except as stated in this Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives its future right to claim, contest or assert that this Agreement was modified canceled, superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

DISTRICT:
PALMDALE WATER DISTRICT,
a California public agency

Dennis D. LaMoreaux, District General Manager

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Eric Dunn, General Counsel

KNUDSON:
MATT KNUDSON, an individual

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

Address: _____

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: September 5, 2018 **September 10, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 10.1 – CONSIDERATION AND POSSIBLE ACTION ON REVISION OF ARTICLE 4.13.2 OF THE DISTRICT’S RULES AND REGULATIONS TO INCLUDE THE DEFINITION OF THE DISTRICT’S PROPERTY ADDRESS. (NO BUDGET IMPACT – DIRECTOR MAC LAREN)***

Recommendation:

Staff recommends Article 4.13.2 of the District’s Rules and Regulations be revised to include the definition of the District’s property address.

Alternative Options:

The Board cannot approve the revision.

Impact of Taking No Action:

The Rules and Regulations will not change.

Background:

Article 4.13.2 of the District’s Rules and Regulations needs to be revised to provide additional clarity on the use of the District’s address for campaign and/or political purposes. The District’s physical address is proposed to be included in this section of the Rules and Regulations.

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:

This revision will not affect the budget.

Supporting Documents:

- Revised Section 4.13.2 of the District’s Rules and Regulations.

PROPOSED

4.13.1 USE OF DISTRICT PROPERTY, EQUIPMENT OR FACILITIES FOR CAMPAIGNING

Directors shall not use, or permit any other person to use, the District's seal, trademark, stationery, or other indicia of the District's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law. Directors shall not use, or permit any other person to use, District equipment, facilities, materials, or any other property for any solicitation for political contributions to any campaign. **The use of the District's physical addresses of 2029 East Avenue Q, Palmdale, CA 93550 and 700 East Avenue S, Palmdale, CA 93550 are prohibited.**

4.14: WEBSITE AND SOCIAL MEDIA

The District has an interest in disseminating information useful to customers and others interested in the operations, goals, and objectives of the District. The District encourages the use of the internet, through its website or social media pages, to further the goals of the District, subject to the terms and conditions of the rules set forth herein. The use of such websites or social media pages by Directors, however, raises legal issues which are unique to government agencies. As such, these rules establish procedures for use of the website and social media by Directors.

4.14.1 DISTRICT WEBSITE

The District owns and maintains a website at www.palmdalewater.org for the purpose of conducting the official business of the District. The General Manager has the authority to manage the website, including the contents of the website, as part of the District's day-to-day operations. The General Manager, however, does not have the authority to post any material or content in connection with the political campaign of any Director of the District, in connection with the political campaign of any candidate for any other office, or in connection with his/her own performance evaluation.

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: September 5, 2018 **September 10, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 10.2 – CONSIDERATION AND POSSIBLE ACTION ON REVISION OF ARTICLE 4.12 OF THE DISTRICT’S RULES AND REGULATIONS TO CLARIFY THE USE OF SHIRTS OR ANY ITEMS CONTAINING THE DISTRICT’S LOGO FOR CAMPAIGN PURPOSES. (NO BUDGET IMPACT – DIRECTOR ALVARADO)***

Recommendation:

Staff recommends Article 4.12 of the District’s Rules and Regulations be revised to clarify the use of shirts or any items containing the District’s logo for campaign purposes.

Alternative Options:

The Board cannot approve the revision.

Impact of Taking No Action:

The Rules and Regulations will not change.

Background:

Article 4.12 of the District’s Rules and Regulations needs to be revised to provide clarity on the use of shirts or any items containing the District’s logo for campaign and/or political purposes.

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:

This revision will not affect the budget.

Supporting Documents:

- Revised Section 4.12 of the District’s Rules and Regulations.

4.12: USE OF DISTRICT MATERIAL CONTAINING DISTRICT SEAL/LOGO BY DIRECTORS (New logo adopted for use beginning 12-11-17)

(a) Purpose of the Seal/Logo. The District has adopted the following seal, also referred to as its “logo,” as the official seal of the Palmdale Water District, pursuant to the Irrigation District Law (Water Code, § 21404):



The seal has been adopted for purposes of identifying official communications, actions, and positions of the District. Therefore, the Board has approved use of the seal by individual Directors as provided herein to maintain uniformity in the representation of the District.

(b) Use of District Seal/Logo. Material containing the District seal, including District letterhead, shall only be used by Directors for District business and may not be used for any personal matters including political campaign materials or in connection with any political events or activities. Use or display of the District seal/logo at any political event or activity, whether it is in connection with District elections or unrelated elections, is not permitted. **This includes the use of any article of clothing, hat, or name badge displaying the District’s logo.** Any written or electronic communication or presentation by a Director that is not approved as District business herein or approved separately by Board action, shall not contain the District seal/logo.

(c) District Business. District business includes:

- (i) Correspondence approved by the Board, such as communications to the Association of California Water Agencies and other governmental agencies, which shall thereafter be distributed to all Directors;
- (ii) Distribution of any District promotional and informational material generally available to the public

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: September 5, 2018 **September 10, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Peter Thompson II, Deputy Water and Energy Res. Dir.
VIA: Mr. Jon Pernula, Water and Energy Resource Director
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 10.3 – CONSIDERATION AND POSSIBLE
ACTION ON PWD / AVEK EXCHANGE AGREEMENT***

Recommendation:

Staff recommends the approval of the Exchange Agreement between Palmdale Water District (PWD) and Antelope Valley East Kern Water Agency (AVEK) providing AVEK with up to 5,000 Acre Feet of PWD's 2018 State Water Project (SWP) water supplies in 2018 in exchange for an equal amount of AVEK's SWP supplies returned by the end of 2028.

Background:

PWD has a supply of 5,000 acre feet of SWP water and has no immediate use for but would like to retain this water for future use. AVEK has customers that could utilize this supply in 2018. This exchange would allow for AVEK to meet its current customer's needs while preserving this supply for future use by PWD customers. AVEK will pay the cost of water transportation in 2018, and PWD will pay the transportation costs when the water is returned. This Exchange Agreement was approved by the AVEK Board on August 28, 2018.

Strategic Plan Initiative/Mission Statement:

This work is part of Strategic Initiative No. 1 – Water Resource Reliability. This item directly relates to the District's Mission Statement.

Budget:

No budgetary impact.

Supporting Documents:

- PWD/AVEK Exchange Agreement

PWD / AVEK WATER EXCHANGE AGREEMENT

This Water Exchange Agreement is made and entered into this day of _____, 2018 by and between Antelope Valley-East Kern Water Agency, an independent special district of the State of California, ("AVEK") and Palmdale Water District ("PWD"), a California Irrigation District, organized and existing under Division 11 of the California Water Code. AVEK and PWD are sometimes individually referred to as "Party" and collectively as "Parties."

This Agreement provides for the delivery of up to 5,000 acre-feet of State Water Project ("SWP") Water supplies in 2018 from Palmdale Water District to Antelope Valley - East Kern Water Agency and for the future return of up to 5,000-acre feet (that is 100% of the quantity of water delivered under this Agreement) of AVEK's SWP Water supplies to PWD by the year 2028.

In compliance with California Environmental Quality Act ("CEQA"), the Parties will file Notices of Exemption ("NOE") as required within the counties of Kern and Los Angeles and the State Clearinghouse based on CEQA Guidelines Section 15301 (Operation of Existing Facilities). This NOE is based on the following considerations: the proposed project is a water management operation using only existing facilities within their authorized capacities for the exchange and future return of water from one SWP contractor's service area to another SWP contractor's service area, is wholly within the SWP place of use, and involves no change in land use.

The Parties are willing to approve the delivery of up to 5,000 acre-feet of PWD's 2018 SWP Table A Allocation or Carryover water supply ("PWD Water") to AVEK for the future return of up to 5,000 acre-feet (or 100% of actual water delivered) of AVEK's Table A Water Allocation ("AVEK Return Water") to PWD, in accordance with this Agreement, and an approved California Department of Water Resources ("DWR") Agreement with the Parties, under the following terms and conditions:

GENERAL PROVISIONS

1. This Agreement provides for PWD Water deliveries to begin in 2018. This Agreement shall become effective on the date of execution by all parties and shall terminate with the delivery of all AVEK Return Water to PWD under this Agreement on or before December 31, 2028, whichever comes first. This approval is unique and shall not be considered a precedent for future agreements.
2. The delivery and return of water pursuant to this Agreement shall be contingent on and subject to, any necessary approvals and shall be governed by the terms and conditions of such approval(s) and any other applicable regulations. AVEK and PWD shall be responsible for complying with all applicable laws and regulations and for securing any required consent, permit or order. AVEK and PWD shall furnish to DWR copies of all approvals and agreements required for the delivery of water under this Agreement.

PWD WATER DELIVERY TO AVEK

3. This Agreement provides for the delivery of PWD Water to AVEK at Banks Pumping Plant, Reach 1 of the SWP. DWR will maintain records documenting the delivery of PWD Water to AVEK and the delivery of AVEK Return Water to PWD. Upon full execution of this Agreement, PWD shall request that DWR transfer the PWD Water to AVEK based on actual daily delivery requests by AVEK. AVEK will notify DWR that it has taken ownership of the water.

AVEK RETURN WATER DELIVERY TO PWD

4. This Agreement provides for the delivery of AVEK Return Water to PWD by December 31, 2028. AVEK Return Water delivered to PWD will be from AVEK's future Table A Water Allocation. Delivery is to be made to PWD's turnout(s) in SWP

Reach 20B of the East Branch of the California Aqueduct, or to an alternate SWP location per mutual agreement by the Parties and DWR approval.

5. On or before calendar year 2029, AVEK shall return to PWD a quantity of water equal to the amount of PWD Water delivered to AVEK in 2018.

GENERAL WATER DELIVERY

6. AVEK and PWD shall coordinate with DWR and each other for the delivery and return of water per this Agreement. AVEK shall be responsible for scheduling the PWD Water deliveries to AVEK in 2018 with DWR. PWD shall be responsible for scheduling the AVEK Return Water to PWD with DWR. The delivery of water shall be in accordance with schedules approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations, facilities, or other SWP contractors. All water delivery schedules and revisions shall be in accordance with Article 12 of PWD's and AVEK's respective long-term Water Supply Contracts with DWR.
7. PWD and AVEK shall submit to the State Water Project Analysis Office, Water Deliveries Section, for approval (sent by electronic mail to: SWPDeliveries@water.ca.gov or by FAX (916) 653-9628) revised monthly water delivery schedules indicating timing and location of the water delivered pursuant to this Agreement.
8. PWD and AVEK shall submit weekly schedules for the delivery of water pursuant to this Agreement to the Southern Field Division Operations Branch (sent by electronic mail to: SFDwaterschedule@water.ca.gov or FAX (661) 858-5501). The schedules shall be submitted by 10:00 a.m. Wednesday for the following week (Monday through Sunday) and shall be concurrently sent by electronic mail or faxed to the following:

State Water Project Operations Control Office

Chief, Pre-scheduling Section, Presched@water.ca.gov, FAX (916) 574-2782

Chief, Operations Scheduling Section, Water_deliv_sched@water.ca.gov, FAX (916) 574-2785

WATER DELIVERY RECORD

9. DWR will maintain monthly records accounting for PWD's delivered PWD Water to AVEK pursuant to this Agreement. PWD shall certify to DWR's State Water Project Analysis Office by January 31, 2019 of the quantity of PWD 's PWD Water delivered to AVEK for the year 2018.

NO IMPACT

10. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or any other SWP approved water allocations, water deliveries, and SWP/Central Valley Project operations and facilities.

SWP ALLOCATION

11. Water deliveries to the Parties pursuant to this Agreement shall not be considered by DWR in the determination of approved annual Table A deliveries to or allocation of other SWP water to the Parties under Article 18 of PWD's and AVEK's respective long-term Water Supply Contract with DWR.

CHARGES AND CREDITS

12. AVEK and PWD shall pay the following charges, including all future adjustments, which shall be calculated in the same manner as charges are calculated for Table A deliveries and are in accordance with the provisions of AVEK's and's PWD long-

term Water Supply Contracts. Charges for the delivery of PWD Water to AVEK shall be determined based on 2018 charges. Charges for the delivery of AVEK Return Water to PWD shall be determined the year the water is returned.

a. PWD Water Delivered to AVEK

Under this Agreement, DWR has, or will convey a portion of the PWD Water to AVEK at Banks Pumping Plant, Reach 1 of the SWP. AVEK shall pay to DWR any of the charges associated with the delivery of PWD Water to AVEK.

b. AVEK Return Water Delivered to PWD

In any future year that a portion of the AVEK Return Water is delivered to PWD pursuant to this Agreement, PWD shall pay to DWR any of the charges associated with the delivery of the AVEK Return Water to PWD.

c. In addition to the charges identified above, PWD and AVEK agree to pay to DWR any identified demonstrable increase in costs that would otherwise be borne by DWR or by the SWP contractors not signatory to this Agreement as a result of providing service under this Agreement.

d. Payment terms shall be in accordance with AVEK's and PWD's long-term Water Supply Contracts.

LIABILITY

13. DWR is providing water delivery service through the State Water Project only, and assumes no liability for water delivered to AVEK or PWD under this agreement beyond the designated point of delivery.

14. The Parties shall be responsible for any adverse impacts that may result from deliveries under this Agreement as determined by DWR. In itself, any increase or

change in timing of deliveries of as a result of this Agreement shall not be considered an adverse impact.

15. In the event that any claim or liability against DWR or its Directors, officers or employees, jointly or severally, arises as a result of this Agreement, the Parties shall jointly defend, indemnify, and hold DWR, its Directors, officers, or employees harmless from any such claim, except to the extent that such claim arises from the sole negligence or willful misconduct of DWR.

EXECUTION

This Agreement may be executed in counterparts. The parties agree to accept electronic mail or facsimile signatures as original signatures. The Agreement shall take effect as soon as all parties have signed. Immediately after execution, AVEK and PWD shall transmit a copy of the executed Agreement by electronic mail or facsimile to Tasmin Eusuff, Chief, State Water Project Analysis Office, Water Delivery Division at (916) 653-6250 and to each of the other parties.

ACCEPTED

PALMDALE WATER DISTRICT

ANTELOPE VALLEY-EAST KERN
WATER AGENCY

Name

Name

Title

Title

Date

Date

Aleshire & Wynder LLP, Attorney
Palmdale Water District

William Brunick, LLP, Attorney
Antelope Valley-East Ker Water Agency

MINUTES OF MEETING OF THE PERSONNEL COMMITTEE OF THE PALMDALE WATER DISTRICT, JUNE 27, 2018:

A meeting of the Personnel Committee of the Palmdale Water District was held Wednesday, June 27, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Estes called the meeting to order at 7:00 a.m.

1) Roll Call.

Attendance:

Personnel Committee:

Joe Estes, Chair

Vincent Dino, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager

Jennifer Emery, Human Resources Director

Dawn Deans, Executive Assistant

0 members of the public

2) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Estes, 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:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held March 21, 2018.

It was moved by Committee Member Dino, seconded by Chair Estes, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Personnel Committee meeting held March 21, 2018, as written.

4.2) Consideration and Possible Action on Agreement for Professional Services Between the District and Tiana Sanchez International, LLC for Professional Development and Training for District Staff. (\$24,990.00 – Budgeted – Human Resources Director Emery/General Manager LaMoreaux)

Human Resources Director Emery provided an overview of the scope of work included in the proposed Agreement with Tiana Sanchez International, LLC, and after a brief discussion of the timeframe and benefit of this work, it was moved by Committee Member Dino, seconded by Chair Estes, and unanimously carried by all members of the Committee present at the meeting to approve the Agreement for Professional Services between the District and Tiana Sanchez International, LLC for Professional Development and Training for District Staff in the not-to-exceed amount of \$24,990.00.

5) Information Items:

5.1) Other.

Human Resources Director Emery provided an overview of the celebration process for retirees on a staff level and stated that a retiree dinner for management staff will be scheduled with the Board of Directors prior to the Board meeting where the retiree is presented their Certificate of Appreciation from the Board.

General Manager LaMoreaux then stated that Human Resources Director Emery is updating the salary survey, which is done every three years, and any recommended changes will be presented to the full Board for consideration in late fall.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

7) Adjournment.

There being no further business to come before the Personnel Committee, the meeting was adjourned at 7:15 a.m.


Chair

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, JULY 19, 2018:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, July 19, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:32 p.m.

1) Roll Call.

Attendance:

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

Others Present:

Dennis LaMoreaux, General Manager
Mike Williams, Finance Manager
Bob Egan, Financial Advisor via Skype
Judy Shay, Public Affairs Director
Dennis Hoffmeyer, Accounting Supervisor
Danielle Henry, Administrative Assistant
0 members of the public

2) Adoption of Agenda.

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

3) Public Comments on Non-Agenda Items.

There were no public comments on non-agenda items.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held May 24, 2018.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held May 24, 2018, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of May 2018. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of May 31, 2018, including the balance increase due to assessments, interest income, and capital improvement fees and then reviewed the cash flow statement, including assessments received, a Department of Water Resources refund, new bond payments due in September, expenditures, and the projected year-end balance.

Chair Henriquez then stated that Agenda Item No. 5.1 will now be considered.

5) Information Items.

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

Financial Advisor Egan stated that the Debt Service Coverage for the period of June 2017 through May 2018 is 1.47 and meets the required Debt Service Coverage and that various rating agencies are impressed with the District's debt coverage ratios.

Chair Henriquez then stated that Agenda Item No. 5.2 will now be considered.

5.2) Status on 2018 Water Revenue Bonds for Construction of Grade Control Structure for the Littlerock Sediment Removal Project and Other Capital Projects. (Finance Manager Williams/Financial Advisor Egan)

Finance Manager Williams stated that the Water Revenue Bonds 2018A issue was successful; that funds are in the escrow account for disbursement followed by discussion of the projects to be constructed; and that other funding options are being considered for construction of other needed projects.

Chair Henriquez then stated that Agenda Item No. 4.3 will now be considered.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for May 2018. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending May 2018 and stated that most departments are operating at or below the targeted expenditure

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

There were no requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held August 23, 2018 at 4:30 p.m.

7) **Adjournment.**

There being no further business to come before the Finance Committee, the meeting was adjourned at 5:24 p.m.



Chair