



Antelope Valley-East Kern Water Agency

The mission of AVEK is to deliver reliable, sustainable, and high-quality supplemental water to the region in a cost-effective and efficient manner

Special Finance Committee Agenda

Meeting Information	Committee Members:
Date: Monday March 21, 2022	Frank S. Donato, Division 3 - Chair
Time: 9:00 a.m.	Keith Dyas, Division 2
Location: Zoom	Shelley Sorsabal, Division 1
Telephone: (669) 900-6833; ID No. 8 1 4 2 1 7 2 6 0 5 5 ; Passcode: 0	
Zoom Link: https://us02web.zoom.us/j/81421726055?pwd=SFNmQUlvT0tRaHlDaVYrN3I5bzJVQT09	
Agenda:	

1. Call to order and period open to the public
2. Review and recommendation to accept and file the Check Register Lists for the period of February 26, 2022, through March 10, 2022
3. Review and recommendation to accept and file the Treasurers Report for month ending February 2022
4. Review and recommend approval of Purchase Orders over \$25,000.00 per Purchasing Policy:
 - a. Review and recommendation to approve a purchase order with R&B Automation for the replacement of (6) Filter Influent Valves at the Quartz Hill Water Treatment Plant (Budget No. ER22-09) in the not-to-exceed amount of \$114,229.33 (Budgeted; Operations Manager Bozigian)
 - b. Review and recommendation to approve a purchase order with R&B Automation for the replacement of (2) Filter Effluent Valve at the Rosamond Water Treatment Plant (Budget No. ER22-11) in the not-to-exceed amount of \$50,117.66 (Budgeted; Operations Manager Bozigian)
 - c. Review and recommendation to approve a purchase order with Brax Process and Pump Equipment for the replacement of (1) Leona Valley Pump Station Vertical Turbine Pump (Budget No. ER22-06) in the not-to-exceed amount of \$48,347.25 (Budgeted; Operations Manager Bozigian)
5. General Manager’s Report
 - a. Update on City of Palmdale, Park Maintenance and Recreation and Streetlighting Maintenance Districts Assessment invoice
6. Closed Session - Review and authorize payment of confidential invoices from legal counsel, pursuant to Government Code Section 54956.9(2)
 - a. Richards Watson Gershon (RWG) Law – Services through 2/28/22
 - b. Murphy and Evertz, Attorneys at Law – Services through 2/28/22
 - c. Brownstein Hyatt Farber Schreck, LLP – Services through 2/28/22
7. Adjournment

Notices:

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 943-3201 or writing to Antelope Valley-East Kern Water Agency at 6500 West Avenue N, Palmdale, CA 93551, or by email at info@avek.org. A complete agenda packet containing all accompanying reports for this agenda is available by contacting the Board Secretary-Treasurer at hhughes@avek.org

Posted: March 18, 2022, at 3 p.m. by Holly Hughes, Board Secretary-Treasurer

Check Registers

AVEK Water Agency
Check List
For the Period From February 26, 2022 to March 10, 2022

REVIEWED
3/15/22
M.X.

Check #	Payee	Explanation	Approved By:	Amount
<u>DWR CONTRACT & WATER DELIVERIES</u>				
1	81851	Department of Water Resources	O.M.P.&R./Off-Aqueduct/Conservation Charges	Monthly - GM Approved \$ 1,698,275.00
2	81877	State Water Contractors Authority	Initial Deposit - 2022 Dry Year Water Transfer Program	GM Approved \$ 25,000.00
<u>MONTHLY</u>				
3	81816	WEX Bank - Enterprise Fleet Management	Gasoline/Diesel - All Sites	Monthly - GM Approved \$ 10,513.00
4	81819	AT&T	Landline SCADA Alarm - AWTP/RWTP	Monthly - GM Approved \$ 466.42
5	81821	Frontier	Landline SCADA Alarm - QHWTP	Monthly - GM Approved \$ 375.70
6	81822	Home Depot Credit Services	Supplies - All Sites	Monthly - GM Approved \$ 1,843.91
7	81823	Hydrex Pest Control, Inc.	Building Maintenance - Administration	Monthly - GM Approved \$ 329.00
8	81825	MCI	Landline SCADA Alarm - EWTP	Monthly - GM Approved \$ 30.90
9	81826	Pitney Bowes Global Financial Services	Prepaid Postage Machine Lease	Quarterly - GM Approved \$ 404.99
10	81827	Southern CA Edison	Electricity/Pumping - Admin2/C5/C8/C9/QHWTP	Monthly - GM Approved \$ 13,943.44
11	81828	TPx Communications	Fiber Internet Service	Monthly - GM Approved \$ 1,261.06
12	81829	Verizon California	Wireless Service - All Sites	Monthly - GM Approved \$ 2,907.81
13	81832	Airgas USA, LLC	Gases - Lab	Monthly - GM Approved \$ 273.63
14	81833	Airgas USA, LLC	Liquid Oxygen Equipment Rental - EWTP/QHWTP/RWTP	Monthly - GM Approved \$ 3,709.00
15	81834	Airgas USA, LLC	CO2 Equipment Rental - QHWTP	Monthly - GM Approved \$ 1,323.00
16	81835	Antelecom, Inc.	Internet Service	Monthly - GM Approved \$ 187.90
17	81836	Avadine	Latis Software Product License - March 2022	Monthly - BoD Approved Agreement \$ 1,100.00
18	81837	Bill's Landscaping, Inc.	Landscape Maintenance - March 2022	Monthly - GM Approved \$ 850.00

AVEK Water Agency
Check List
For the Period From February 26, 2022 to March 10, 2022

	Check #	Payee	Explanation	Approved By:	Amount
MONTHLY cont.					
19	81838	Boron CSD	Wheeling Agreement - Reimbursed by Edwards AFB - January and February 2022	Monthly - GM Approved	\$ 6,000.00
20	81839	Broadvoice Business	VOIP Phones - All Sites	Monthly - GM Approved	\$ 1,107.86
21	81841	California Tool & Welding Supply	Welding Gases - RWTP	Monthly - GM Approved	\$ 62.90
22	81842	California Tool & Welding Supply	Welding Gases - EWTP	Monthly - GM Approved	\$ 79.70
23	81845	Cintas	Uniforms - All Sites	Monthly - GM Approved	\$ 1,080.67
24	81847	Core BTS, Inc.	General Software - February 2022	Monthly - GM Approved	\$ 553.50
25	81854	Federal Express Corporation	Shipping Charges	Monthly - GM Approved	\$ 43.54
26	81857	The Gas Company	Natural Gas	Monthly - GM Approved	\$ 3,426.49
27	81867	Meadows Lab Fundamentals, LLC	Outside Services - Lab	Monthly - GM Approved	\$ 315.00
28	81869	PFM Asset Management LLC	Managed Account Fees - January 2022	Monthly - GM Approved	\$ 2,191.97
29	81871	Rodrigo Antonio Gracia dba Rodloc Security Systems	Building Maintenance - WWB	Monthly - GM Approved	\$ 90.00
30	81873	The Shredders	Document Security	Monthly - GM Approved	\$ 112.00
31	81875	Sparkletts	Supplies - Lab	Monthly - GM Approved	\$ 331.17
32	81876	Staples Business Credit	Office Supplies	Monthly - GM Approved	\$ 709.29
33	81878	Streamline	Monthly Web Hosting Fee - March 2022	Monthly - GM Approved	\$ 550.00
34	81881	Underground Service Alert/SC	Underground Services	Monthly - GM Approved	\$ 51.25
35	81882	Vanguard Cleaning Systems	Janitorial Service - March 2022	Monthly - GM Approved	\$ 3,025.00
36	81884	Waste Management of Antelope Valley	Waste Disposal - AWTP	Monthly - GM Approved	\$ 88.61
37	81885	Waste Management - Kern County	Waste Disposal - RWTP	Monthly - GM Approved	\$ 186.56
38	81886	Waste Management of Antelope Valley	Waste Disposal - WWB	Monthly - GM Approved	\$ 123.33
39	81887	Waste Management of Antelope Valley	Waste Disposal - EWTP	Monthly - GM Approved	\$ 192.67
40	81888	Waste Management of Antelope Valley	Waste Disposal - QHWTP	Monthly - GM Approved	\$ 323.05
41	81890	Eurofins Eaton Analytical, LLC	Outside Services - Lab	Monthly - GM Approved	\$ 405.00

AVEK Water Agency
Check List
For the Period From February 26, 2022 to March 10, 2022

	Check #	Payee	Explanation	Approved By:	Amount
<u>BOARD APPROVED</u>					
42	81817	Palmdale Water District	Payment for PWD Treatment Cost for Acton Service Area	Finance Committee 03/07/2022	\$ 19,864.46
43	81820	Enterprise FM Trust	Enterprise Leased Agency Vehicles	BoD Approved Agreement - Monthly	\$ 9,993.19
44	81843	Calgon Carbon Corporation	Fixed Asset ER22-04 Replace GAC Filter Media	P.O. #21-0246 - Board Meeting 09/28/2021	\$ 775,069.41
45	81844	Christopher Jones Consulting	Redistricting Services Consulting	BoD Approved Agreement	\$ 6,615.27
46	81846	Computershare Trust Company/Wells Fargo Bank	Trustee Fee - 2008A-2 Variable Rate COPs	Annually - BoD Approved Agreement	\$ 3,500.00
47	81863	JCI Jones Chemicals, Inc	Chemicals - Sodium Hypochlorite	BoD Approved Chemical Budget	\$ 6,023.25
48	81865	MC Engineering, Inc.	Fixed Asset CP20-04 Westside Underground	BoD Approved Agreement	\$ 1,012.50
49	81889	Wells Fargo Bank, N.A.	Remarketing Fee - Variable Rate COPs	Quarterly - BoD Approved Agreement	\$ 11,250.00
<u>GM APPROVED</u>					
<u>Administration</u>					
50	81830	American Business Machines	Copier Charges	GM Approved	\$ 15.00
51	81874	SoCal Office Technologies	Copier Charges	GM Approved	\$ 1,227.94
<u>Engineering</u>					
52	81868	ParcelQuest	Parcel Research Annual Fees	Annually - GM Approved	\$ 2,399.00
<u>Human Resources</u>					
53	81853	Employment Check, Inc.	Pre-Employment Background Check	GM Approved	\$ 84.50
<u>Lab</u>					
54	81859	Hach Company	Supplies - Lab	P.O. #22-0031 - GM Approved	\$ 189.94
55	81879	Thomas Scientific	Chemicals - Lab	P.O. #22-0004 - GM Approved	\$ 40.91

AVEK Water Agency
Check List
For the Period From February 26, 2022 to March 10, 2022

	Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.					
Lab cont.					
56	81883	VWR International	Supplies - Lab	P.O. #21-0272 - GM Approved	\$ 46.19
Operations & Maintenance					
57	81818	Aramark Uniform Services	Final Accounting/Payment for Discontinued Uniform Services	GM Approved	\$ 2,601.00
58	81824	KJS Health and Safety	Safety Training	GM Approved	\$ 3,000.00
59	81831	Ace Industrial Supply, Inc.	Small Tools - Maintenance Dept.	GM Approved	\$ 547.23
60	81840	CA Smog Check Center	Legacy Vehicle Maintenance - Vehicle #02 & #23	GM Approved	\$ 89.90
61	81848	Corky's Auto Repair, Inc.	Legacy Vehicle Maintenance - Vehicle #18/RWTP	GM Approved	\$ 214.43
62	81849	Desert Industrial Supply	Equipment Maintenance - EWTP	GM Approved	\$ 32.39
63	81850	Diamond Ford	Legacy Vehicle Maintenance - Vehicle #02	P.O. #22-0028 - GM Approved	\$ 5,064.76
64	81852	Elite Concrete Restoration, Inc.	Fixed Asset BIR22-01 Replace Expansion Joint Material	P.O. #21-0285 - GM Approved	\$ 7,987.00
65	81855	Fire Ace, Inc.	Safety Supplies - QHWTP	GM Approved	\$ 120.00
66	81856	Farm Pump and Irrigation Co	Rehab Well #23 - WWB	P.O. #210299 - GM Approved - Emergency & Time Sensitive Purchases	\$ 56,329.74
67	81858	Grease Monkey 1066	Legacy Vehicle Maintenance - Vehicle #06/Maintenance Dept.	GM Approved	\$ 54.71
68	81860	Harbor Freight Tools	Small Tools - Maintenance Dept.	GM Approved	\$ 85.97
69	81861	Gary Hensley	Mileage Reimbursement - RWTP	GM Approved	\$ 17.55
70	81862	Johnstone Supply	Equipment Maintenance - EBB	GM Approved	\$ 38.67
71	81864	Karl's Hardware, Inc. - Rosamond	Grounds Maintenance - EWTP	GM Approved	\$ 75.06

AVEK Water Agency
 Check List
 For the Period From February 26, 2022 to March 10, 2022

	Check #	Payee	Explanation	Approved By:	Amount
GM APPROVED cont.					
Operations & Maintenance cont.					
72	81866	McMaster-Carr Supply Company	Equipment Maintenance - QHWTP	P.O. #22-0026 - GM Approved	\$ 1,177.69
73	81870	R & B Automation, Inc.	Actuator Replacement - QHWTP	P.O. #21-0144 - GM Approved	\$ 10,828.75
74	81872	Royal Hydraulics	Equipment Maintenance - QHWTP	P.O. #22-0021 - GM Approved	\$ 3,581.48
75	81880	Traffic Management, Inc.	Fixed Asset BIR21-04 EAFB Lateral Repair	P.O. #21-0284 - GM Approved	\$ 960.00
	Total				\$ 2,713,982.21

AVEK Water Agency
 Check List
 For the Period From February 26, 2022 to March 10, 2022
 High Desert Water Bank Enterprise Fund Account

REVIEWED
 3/15/22
 M.X.

Check #	Payee	Explanation	Approved By:	Amount
1208	Waste Management of Antelope Valley	Waste Disposal - HDWB	Monthly - GM Approved	\$ 126.72
Total				\$ 126.72

AVEK Water Agency
 Check List
 For the Period From February 26, 2022 to March 10, 2022
 High Desert Water Bank Capital Program Account - MET

REVIEWED
 3/15/22
 M.X.

Check #	Payee	Explanation	Approved By:	Amount
1151	Pacific Coast Well Drilling	Retention Release - HDWB Pilot Recovery Well Drilling	BoD Approved Agreement	\$ 240,982.99
Total				\$ 240,982.99

Treasurer's Report



STAFF REPORT

TO: Board of Directors

DATE: 3/9/22

FROM: Dwayne Chisam, General Manager

PREPARED BY: Teresa Yates

SUBJECT: Treasurer's Report for the Month ending February 28, 2022

REF: Board / Committee Name:

Meeting Date: 3/22/22

Agenda Item:

Attachment(s): YES NO

Reviewed By: Chief Engineer _____ Date _____

Agency Attorney _____ Date _____

Assistant General Manager M.X. Date 3/9/22

REPORT SUMMARY:-

The ending balance for total Cash and Investments at February 28, 2022 was \$157,131,889 which is a decrease of \$2,025,676 from the prior month. Yield to Maturity at February 28, 2022 for the total portfolio was .282% which is an increase of .022% from the prior month and the average Days to Maturity was 159 days or approximately five months.

The High Desert Water Bank Capital Account (Met) balance was \$3,416,642 at February 28, 2022.

Antelope Valley-East Kern Water Agency					
Treasurer's Monthly Report					
February 28, 2022					
Total Portfolio Summary, Month Ending February 28, 2022					
Total AVEK Managed and PFM Managed Portfolio					
	Par	Market	% of	Days to	
Investments	Value	Value	Portfolio	Maturity	YTM
<i>Wells Fargo & PFM</i>					
Money Market	\$ 4,145,626.50	\$ 4,145,626.50	2.65%	1	0.014%
Government Agencies	39,100,000.00	38,898,479.17	24.91%	283	0.247%
Negotiable CDs	5,700,000.00	5,659,856.20	3.62%	311	0.209%
Commercial Paper	2,000,000.00	1,993,025.00	1.28%	168	0.335%
Corporate Notes	25,180,000.00	25,217,897.56	16.15%	285	0.385%
US Treasury Bonds/Notes	12,000,000.00	11,907,749.75	7.62%	370	0.321%
LAIF	68,354,507.68	68,354,507.68	43.77%	1	0.278%
Total Investments	\$ 156,480,134.18	\$ 156,177,141.86	100.00%	159	0.282%
Cash					
<i>Wells Fargo</i>					
Checking Accounts	\$ 749,757.39	\$ 749,757.39			
Total	157,229,891.57	156,926,899.25			
Ending Accrued Interest		204,990.15			
Total Cash & Investments	\$ 157,229,891.57	\$ 157,131,889.40			
Total Cash & Investments - 1/31/22	\$ 159,103,362.81	\$ 159,157,564.71			
	February 28, 2022	Fiscal Year			
Total Earnings	(Month Ending)	To Date			
Current Year	72,470.74	629,478.49			
Portfolio Yield to Maturity	0.282%	0.303%			

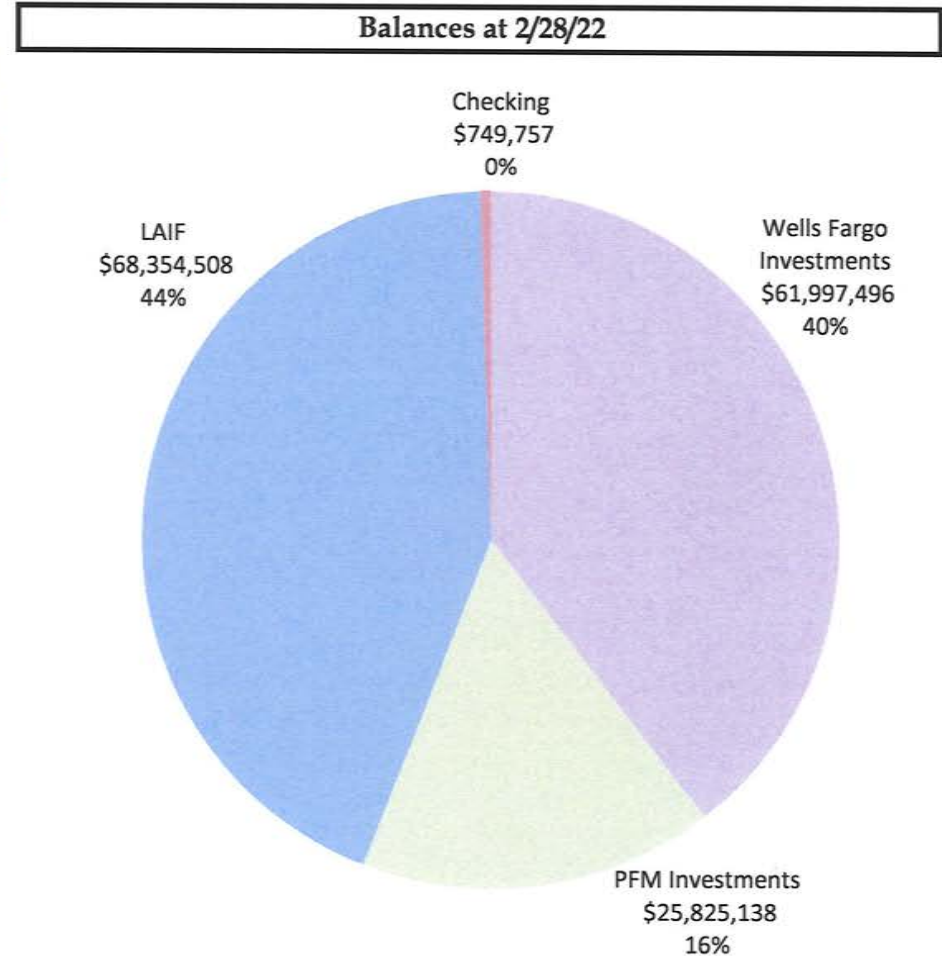
Antelope Valley - East Kern Water Agency
Month End Balances
February 28, 2022

	Balance	YTM
	February 28, 2022	Net of Fees
Wells Fargo Investments	\$ 61,997,496	0.251%
PFM Investments	\$ 25,825,138	0.357%
LAIF	\$ 68,354,508	0.278%
Checking	\$ 749,757	0.000%
	<u>\$ 156,926,899</u>	
 HDWB Capital Acct (Met)	 <u>\$ 3,416,642</u>	 0.170%

	Balance	Balance
	January 31, 2022	January 31, 2021
Capital Assets		
Banked Water - Asset	\$ 15,417,652	\$ 19,869,474
Land & Water Rights	\$ 42,646,268	\$ 40,349,392
Construction In Progress	\$ 19,809,999	\$ 10,222,858
Plant & Equipment	\$ 392,943,568	\$ 391,727,650
Accumulated Depreciation	\$ (121,575,530)	\$ (113,780,151)
	<u>\$ 349,241,957</u>	<u>\$ 348,389,224</u>

	Balance
	February 28, 2022
Outstanding COP and Bond Debt	
COP Series 2008 A-2	\$ 45,000,000
Water Revenue Ref. Bonds, Series 2016	\$ 57,400,000
CREBs-Revenue Bonds Series 2017	\$ 12,810,000
	<u>\$ 115,210,000</u>

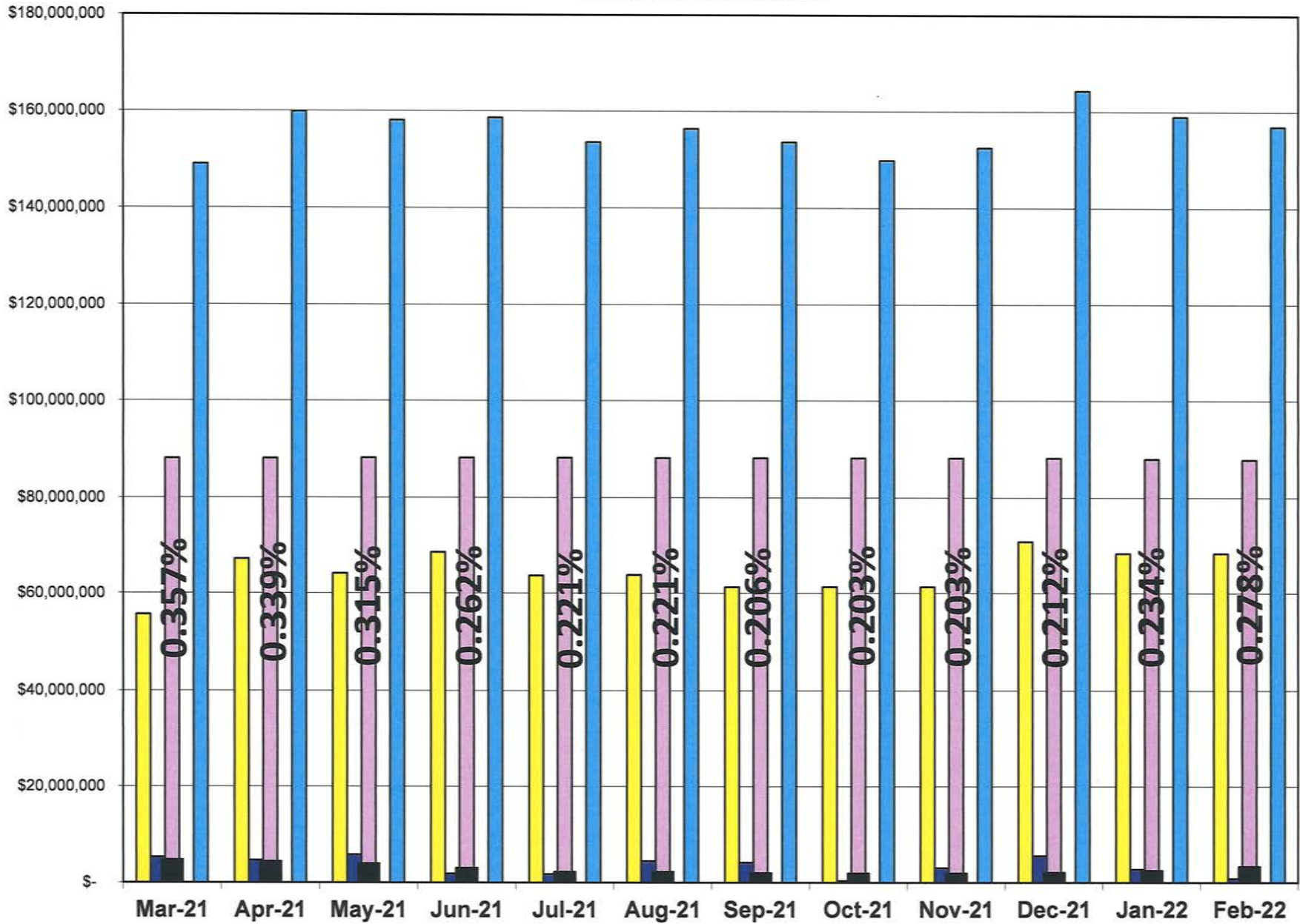
	Fiscal YTD	Prior Fiscal YTD
	February 28, 2022	February 28, 2021
Capacity Fees Received	\$ 1,444,783	\$ 1,322,743



AVEK Water Agency

ENTERPRISE FUND CLOSING BALANCES

Dollar Amount



LAIF \$68,354,508
 BANK \$749,757
 SECURITIES \$87,822,634
 TOTAL \$156,926,899
 LAIF Int. Rate

Antelope Valley-East Kern Water Agency					
Treasurer's Monthly Report					
February 28, 2022					
AVEK Portfolio Summary, Month Ending February 28, 2022					
AVEK Managed Portfolio					
	Par	Market	% of	Days to	
Investments	Value	Value	Portfolio	Maturity	YTM
<i>Wells Fargo</i>					
Money Market	\$ 3,919,041.97	\$ 3,919,041.97	3.01%	1	0.010%
Government Agencies	33,000,000.00	32,792,588.37	25.16%	320	0.242%
Negotiable CDs	5,250,000.00	5,211,598.10	4.00%	317	0.171%
Corporate Notes	20,080,000.00	20,074,267.64	15.40%	280	0.335%
LAIF	68,354,507.68	68,354,507.68	52.44%	1	0.278%
Total Investments	\$ 130,603,549.65	\$ 130,352,003.76	100.00%	137	0.265%
Cash					
<i>Wells Fargo</i>					
General Checking	\$ 664,818.64	\$ 664,818.64			
HDWB Checking	\$ 84,938.75	\$ 84,938.75			
Total Checking Accounts	\$ 749,757.39	\$ 749,757.39			
Total	\$ 131,353,307.04	\$ 131,101,761.15			
Ending Accrued Interest		\$ 134,152.58			
Total Cash & Investments	\$ 131,353,307.04	\$ 131,235,913.73			
Total Cash & Investments - 1/31/22	\$ 133,229,236.40	\$ 133,227,624.87			
	February 28, 2022	Fiscal Year			
Total Earnings	(Month Ending)	To Date			
Current Year	\$ 53,788.40	\$ 474,554.84			
Portfolio Yield to Maturity	0.265%	0.300%			

Antelope Valley-East Kern Water Agency										
Treasurer's Monthly Report										
February 28, 2022										
AVEK Portfolio Details - Investments, Month Ending February 28, 2022										
AVEK Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Money Market										
		WF Adv Govt		3,919,041.97	3,919,041.97	3,919,041.97	0.010%		0.010%	1
				3,919,041.97	3,919,041.97	3,919,041.97	0.010%		0.010%	1
Government Agencies										
3133ENLF5	1/28/2022	FFCBB	1/18/2024	1,992,060.00	2,000,000.00	1,981,225.78	0.900%	Aaa	1.100%	688
3133EM6N7	10/28/2021	FFCBB	9/27/2023	1,991,300.00	2,000,000.00	1,967,005.30	0.170%	Aaa	0.398%	575
3130ANYM6	10/28/2021	FHLBB	8/28/2023	1,990,020.00	2,000,000.00	1,965,616.34	0.125%	Aaa	0.398%	545
3130ANYM6	9/17/2021	FHLBB	8/28/2023	1,997,300.00	2,000,000.00	1,965,616.34	0.125%	Aaa	0.194%	545
3133EMH96	9/17/2021	FFCBB	6/14/2023	1,998,640.00	2,000,000.00	1,971,677.44	0.125%	Aaa	0.164%	470
3130AMRY0	6/10/2021	FHLBB	6/2/2023	2,000,078.00	2,000,000.00	1,973,628.60	0.125%	Aaa	0.123%	458
3133EMVP4	4/21/2021	FFCBB	4/13/2023	1,999,760.00	2,000,000.00	1,975,950.20	0.125%	Aaa	0.131%	408
3130AJ7E3	4/21/2021	FHLBB	2/17/2023	2,045,820.00	2,000,000.00	2,004,163.94	1.375%	Aaa	0.116%	353
3133EMML3	2/2/2021	FFCBB	1/12/2023	2,001,320.00	2,000,000.00	1,986,083.26	0.120%	Aaa	0.086%	317
3133EMKU5	2/2/2021	FFCBB	12/14/2022	2,001,640.00	2,000,000.00	1,991,922.88	0.125%	Aaa	0.081%	288
3133EL6R0	10/22/2020	FFCBB	9/9/2022	1,000,050.00	1,000,000.00	997,266.57	0.150%	Aaa	0.147%	192
3133EL6R0	9/15/2020	FFCBB	9/9/2022	2,000,340.00	2,000,000.00	1,994,533.14	0.150%	Aaa	0.141%	192
313379Q69	6/30/2020	FHLBB	6/10/2022	2,591,350.00	2,500,000.00	2,512,219.05	2.125%	Aaa	0.240%	101
3133ELZN7	5/20/2020	FFCBB	5/18/2022	1,998,120.00	2,000,000.00	1,999,105.70	0.160%	Aaa	0.207%	78
3133ECMQ4	6/30/2020	FFCBB	4/29/2022	2,574,175.00	2,500,000.00	2,505,957.33	1.820%	Aaa	0.195%	59
3133ELXW9	5/20/2020	FFCBB	4/27/2022	2,003,580.00	2,000,000.00	1,999,968.08	0.300%	Aaa	0.207%	57
313378CR0	2/2/2021	FHLBB	3/11/2022	1,024,310.00	1,000,000.00	1,000,648.42	2.250%	Aaa	0.056%	10
				33,209,863.00	33,000,000.00	32,792,588.37	0.609%		0.242%	320
Negotiable Certificates of Deposit										
47804GHB2	10/29/2021	John Marshall Bank	11/29/2023	250,000.00	250,000.00	244,857.31	0.200%	*	0.200%	638
45338JAG1	11/19/2021	Incrediblebank	11/17/2023	250,000.00	250,000.00	245,660.76	0.350%	*	0.350%	626
41939HBK7	11/12/2021	Haven Savings Bank	11/13/2023	250,000.00	250,000.00	245,093.19	0.200%	*	0.200%	622
947547NK7	10/29/2021	Webbank	10/30/2023	250,000.00	250,000.00	245,912.12	0.350%	*	0.350%	608
26518EAL3	10/29/2021	Dundee Bank	10/30/2023	250,000.00	250,000.00	245,301.05	0.200%	*	0.200%	608
19646PAH7	6/16/2021	Colorado Federal Svgs Bk	6/16/2023	250,000.00	250,000.00	246,762.90	0.100%	*	0.100%	472
33847E4M6	6/16/2021	Flagstar Bank FSB	6/16/2023	250,000.00	250,000.00	246,910.99	0.150%	*	0.150%	472

AVEK Portfolio Details - Investments, Month Ending February 28, 2022

AVEK Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Negotiable Certificates of Deposit (cont)										
58404DKR1	6/15/2021	Medallion Bank Utah	6/15/2023	250,000.00	250,000.00	246,768.96	0.100%	*	0.100%	471
740367MY0	2/26/2021	Preferred Bank LA CA	2/27/2023	250,000.00	250,000.00	247,849.88	0.050%	*	0.050%	363
649447UC1	11/9/2020	New York Community Bank	11/9/2022	250,000.00	250,000.00	249,353.98	0.200%	*	0.200%	253
31034RFX8	10/30/2020	Farmers State Bank	10/31/2022	250,000.00	250,000.00	249,235.39	0.100%	*	0.100%	244
320337DW5	10/30/2020	First General Bank	10/28/2022	250,000.00	250,000.00	249,249.15	0.100%	*	0.100%	241
20070PLX3	10/22/2020	Commerce State Bank	10/24/2022	250,000.00	250,000.00	249,275.62	0.100%	*	0.100%	237
89388CDW5	7/17/2020	Tab Bank Inc	7/18/2022	250,000.00	250,000.00	249,856.37	0.200%	*	0.200%	139
81423LDA7	7/10/2020	Security Federal Bank	7/11/2022	250,000.00	250,000.00	249,879.55	0.200%	*	0.200%	132
32056VAH0	7/2/2020	First Independent Bank	7/1/2022	250,000.00	250,000.00	249,909.73	0.200%	*	0.200%	122
90348JM56	6/16/2021	UBS Bank USA	6/16/2022	250,000.00	250,000.00	249,821.24	0.100%	*	0.100%	107
35633MAV4	6/10/2020	Freedom Bank of Virginia	6/10/2022	250,000.00	250,000.00	249,961.82	0.200%	*	0.200%	101
74316VFA8	5/29/2020	Profinium Financial Inc	5/27/2022	250,000.00	250,000.00	249,986.06	0.200%	*	0.200%	87
70214UAH1	2/3/2021	Partners Bank New England	5/3/2022	250,000.00	250,000.00	249,931.87	0.050%	*	0.050%	63
910286DK6	5/29/2020	United Fidelity Bank FSB	4/29/2022	250,000.00	250,000.00	250,020.16	0.250%	*	0.250%	59
				5,250,000.00	5,250,000.00	5,211,598.10	0.171%		0.171%	317
Corporate Notes										
63743HEU2	10/29/2021	National Rural Util COOP	2/8/2024	1,982,460.00	2,000,000.00	1,943,044.78	0.350%	A2	0.739%	709
6174468W2	1/31/2022	Morgan Stanley	1/25/2024	993,528.00	1,000,000.00	988,611.94	0.529%	A1	1.190%	695
05724BAB5	1/31/2022	Baker Hughes LLC	12/15/2023	998,668.00	1,000,000.00	990,446.57	1.231%	A3	1.300%	654
46625HJJ0	4/22/2021	JPMorgan Chase & Co	5/1/2023	2,118,820.00	2,000,000.00	2,037,223.26	3.375%	A3	0.425%	426
06051GGJ2	4/22/2021	Bank of America Corp	4/24/2023	2,018,000.00	2,000,000.00	2,002,589.52	1.259%	A2	0.308%	419
911312BJ4	6/11/2021	United Parcel Service	4/1/2023	2,208,183.57	2,190,000.00	2,198,466.78	0.664%	A2	0.128%	396
911312BJ4	2/3/2021	United Parcel Service	4/1/2023	641,184.90	635,000.00	637,454.98	0.664%	A2	0.211%	396
14913Q3C1	9/16/2020	Caterpillar Finl Services	11/18/2022	2,075,460.00	2,000,000.00	2,010,962.02	1.950%	A3	0.568%	262
02665WCB5	10/23/2020	American Honda Finance	11/16/2022	1,006,770.00	1,000,000.00	1,002,861.57	0.929%	A3	0.366%	260
166756AG1	10/23/2020	Chevron USA	8/12/2022	1,002,630.00	1,000,000.00	1,000,249.29	0.505%	AA2	0.186%	164
14913QAB5	7/1/2020	Caterpillar Finl Services	6/6/2022	853,386.38	847,000.00	847,993.68	0.770%	A3	0.518%	97
89236TGZ2	9/16/2020	Toyota Motor Credit Corp	5/26/2022	2,031,840.00	2,000,000.00	2,001,097.22	1.150%	A3	0.208%	86
025816CD9	7/1/2020	American Express Co	5/20/2022	1,039,700.00	1,000,000.00	1,002,439.23	2.750%	A3	0.534%	80
20826FAH9	4/22/2021	Conocophillips Co	5/15/2022	1,421,390.08	1,408,000.00	1,410,826.80	1.406%	A3	0.208%	75
				20,392,020.93	20,080,000.00	20,074,267.64	1.326%		0.335%	280

AVEK Portfolio Details - Investments, Month Ending February 28, 2022										
AVEK Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
LAIF - Local Agency Investment Pool										
		LAIF		68,354,507.68	68,354,507.68	68,354,507.68	0.278%		0.278%	1
				68,354,507.68	68,354,507.68	68,354,507.68	0.278%		0.278%	1
Total				131,125,433.58	130,603,549.65	130,352,003.76				
*	Principal and accrued interest on negotiable CDs is insured up to the FDIC limit of \$250,000.									
	Book Value is equal to Market Value for all investments.									
	FHLBB - Federal Home Loan Banks Bond									
	FFCBB - Federal Farm Credit Banks Bond									
	All investments were made in accordance with the Antelope Valley - East Kern Water Agency Investment Policy and Guidelines.									

Antelope Valley-East Kern Water Agency								
Treasurer's Monthly Report								
February 28, 2022								
AVEK Transactions, Month Ending February 28, 2022								
AVEK Managed Portfolio								
CUSIP	Purchase Date	Issuer	Mat/Call Date	Par Value	Stated Rate	Total Int Earned	Days	Earnings %
Government Agencies								
<u>Purchases</u>								
No purchases during February 2022								
<u>Maturities/Calls</u>								
3133ELNP5	2/24/2020	FFCBB	2/24/2022	1,000,000	1.450%	29,000	731	1.428%
				1,000,000	1.450%	29,000	731	1.428%
Negotiable Certificates of Deposit								
<u>Purchases</u>								
No purchases during February 2022								
<u>Maturities/Calls</u>								
940637NF4	2/5/2021	Washington Trust Westerly	2/4/2022	250,000	0.050%	125	364	0.049%
59101LJL2	5/27/2020	Metabank	2/25/2022	250,000	0.250%	1,094	639	0.247%
549104ND5	2/28/2020	Luana Savings Bank	2/28/2022	250,000	1.500%	7,510	731	1.479%
05580AUZ5	2/28/2020	BMW Bank North America	2/28/2022	250,000	1.600%	8,011	731	1.578%
29278TNC0	2/28/2020	Enerbank USA	2/28/2022	250,000	1.550%	7,761	731	1.529%
				1,250,000	0.010%	24,501	73	0.010%
Corporate Notes								
<u>Purchases</u>								
No purchases during February 2022								
<u>Maturities/Calls</u>								
No maturities during February 2022								
<u>Transfers</u>								
From Account	Date	To Account	Amount					
No transfers during February 2022								

Antelope Valley-East Kern Water Agency						
Treasurer's Monthly Report						
February 28, 2022						
PFM Portfolio Summary, Month Ending February 28, 2022						
PFM Managed Portfolio						
	Par Value	Market Value	% of Portfolio	Days to Maturity	YTM	
Investments						
<i>PFM</i>						
Money Market	\$ 226,584.53	\$ 226,584.53	0.88%	1	0.090%	
Negotiable CDs	450,000.00	448,258.10	1.74%	241	0.651%	
Commercial Paper	2,000,000.00	1,993,025.00	7.72%	168	0.335%	
Corporate Notes	5,100,000.00	5,143,629.92	19.92%	305	0.580%	
Federal Agency Bonds/Notes	6,100,000.00	6,105,890.80	23.64%	81	0.275%	
US Treasury Bonds/Notes	12,000,000.00	11,907,749.75	46.11%	370	0.321%	
Total Investments	\$ 25,876,584.53	\$ 25,825,138.10	100.00%	255	0.366%	
					Net of Associated Fees	0.357%
Ending Accrued Interest		70,837.57				
Total Cash & Investments	\$ 25,876,584.53	\$ 25,895,975.67				
Total Cash & Investments - 1/31/22	\$ 25,874,126.41	\$ 25,929,939.84				
	February 28, 2022	Fiscal Year				
Total Earnings	(Month Ending)	To Date				
Current Year	18,682.34	154,923.65				
Portfolio Yield to Maturity	0.366%	0.321%				
Fees						
PFM Asset Mgt - 1/1/22 to 1/31/22	2,191.97	17,310.86				
BNY Mellon - 1/1/22 to 1/31/22	250.00	2,000.00				
Total Fees	2,441.97	19,310.86				
	0.009%	0.075%				

Antelope Valley-East Kern Water Agency										
Treasurer's Monthly Report										
February 28, 2022										
PFM Portfolio Details - Investments, Month Ending February 28, 2022										
PFM Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Money Market										
		Federated Govt Oblig FD		226,584.53	226,584.53	226,584.53	0.090%	Aaa	0.090%	1
				226,584.53	226,584.53	226,584.53	0.090%		0.090%	1
Negotiable Certificates of Deposit										
22552G3C2	3/23/2021	Credit Suisse NY	3/17/2023	200,000.00	200,000.00	198,215.60	0.590%	A1	0.590%	381
86565CKU2	7/14/2020	Sumitomo Mitsui Bank NY	7/8/2022	250,000.00	250,000.00	250,042.50	0.700%	P-1	0.700%	129
				450,000.00	450,000.00	448,258.10	0.651%		0.651%	241
Commercial Paper										
63873KJ99	12/16/2021	Natixis NY	9/9/2022	747,691.56	750,000.00	746,494.50	0.000%	P-1	0.420%	192
2254EBH12	11/5/2021	Credit Suisse NY	8/1/2022	548,767.08	550,000.00	548,314.80	0.000%	P-1	0.300%	153
62479MH14	11/10/2021	MUFG Bank LTD/NY	8/1/2022	698,614.00	700,000.00	698,215.70	0.000%	P-1	0.270%	153
				1,995,072.64	2,000,000.00	1,993,025.00	0.000%		0.335%	168
Corporate Notes										
06406HCS6	2/10/2022	Bank of NY Mellon	2/4/2024	28,042.20	27,000.00	27,845.64	3.650%	A1	1.660%	705
06406HCS6	2/10/2022	Bank of NY Mellon	2/4/2024	361,404.96	348,000.00	358,899.36	3.650%	A1	1.670%	705
172967HD6	11/8/2021	Citigroup Inc	10/25/2023	186,299.75	175,000.00	180,604.73	3.875%	A3	0.560%	603
89236TDK8	11/12/2021	Toyota Motor Credit Corp	10/18/2023	206,564.00	200,000.00	201,710.20	2.250%	A1	0.540%	596
02665WDM0	11/8/2021	American Honda Finance	9/8/2023	200,302.00	200,000.00	196,977.60	0.650%	A3	0.570%	556
06053FAA7	8/9/2021	Bank of America	7/24/2023	375,284.00	350,000.00	361,291.35	4.100%	A2	0.390%	510
166764BV1	2/10/2022	Chevron Corp	5/11/2023	199,898.00	200,000.00	199,149.00	1.141%	Aa2	1.180%	436
037833DV9	11/8/2021	Apple Inc	5/11/2023	376,987.50	375,000.00	372,560.25	0.750%	Aaa	0.400%	436
05531FBJ1	11/12/2021	BB&T Corporation	3/16/2023	204,464.00	200,000.00	200,993.20	2.200%	A3	0.530%	380
61744YAN8	2/10/2022	Morgan Stanley	1/23/2023	203,794.00	200,000.00	202,479.40	3.125%	A1	1.120%	328
594918AQ7	3/22/2021	Microsoft Corp	11/15/2022	463,873.50	450,000.00	452,878.65	2.125%	Aaa	0.250%	259
46625HJE1	9/28/2020	JPMorgan Chase & Co	9/23/2022	395,670.00	375,000.00	379,678.88	3.250%	A2	0.460%	206
808513AG0	9/15/2020	Charles Schwab Corp	9/1/2022	184,817.50	175,000.00	176,797.95	3.225%	A2	0.350%	184
30231GBB7	9/15/2020	Exxon Mobil Corporation	8/16/2022	180,402.25	175,000.00	174,581.40	1.902%	Aa2	0.290%	168
17275RAV4	6/25/2020	Cisco Systems Inc	6/15/2022	394,492.50	375,000.00	377,059.50	3.000%	A1	0.350%	106
09247XAJO	9/15/2020	Blackrock Inc	6/1/2022	367,846.50	350,000.00	352,318.05	3.375%	Aa3	0.380%	92
084664BT7	6/25/2020	Berkshire Hathaway Inc	5/15/2022	393,697.50	375,000.00	376,857.75	3.000%	Aa2	0.350%	75

PFM Portfolio Details - Investments, Month Ending February 28, 2022

PFM Managed Portfolio										
CUSIP	Purchase Date	Issuer	Maturity Date	Purchase Price	Par Value	Market Value	Stated Rate	Moody's	YTM	Days to Mat/Call
Corporate Notes (cont)										
14913R2B2	5/19/2020	Caterpillar Financial	5/13/2022	200,476.00	200,000.00	200,126.60	0.950%	A2	0.830%	73
459200JX0	5/19/2020	IBM Corp	5/13/2022	182,666.75	175,000.00	175,775.08	2.850%	A3	0.620%	73
437076BV3	5/11/2020	Home Depot Inc	3/1/2022	183,576.75	175,000.00	175,045.33	3.250%	A2	0.520%	0
				5,290,559.66	5,100,000.00	5,143,629.92	2.627%		0.580%	305
Federal Agency Bonds/Notes										
313380GJ0	9/14/2020	FHLB Notes	9/9/2022	932,769.00	900,000.00	906,159.60	2.000%	Aaa	0.160%	192
3130AJPU7	6/12/2020	FHLB Notes	6/3/2022	2,199,692.00	2,200,000.00	2,199,188.20	0.250%	Aaa	0.260%	94
3133ELYR9	5/20/2020	FFCB Notes	5/6/2022	1,499,820.00	1,500,000.00	1,499,724.00	0.250%	Aaa	0.260%	66
313378CR0	4/13/2020	FHLB Notes	3/11/2022	1,553,265.00	1,500,000.00	1,500,819.00	2.250%	Aaa	0.380%	10
				6,185,546.00	6,100,000.00	6,105,890.80	1.000%		0.275%	81
US Treasury Bonds/Notes										
91282CDV0	2/9/2022	US Treasury N/B	1/31/2024	1,783,617.19	1,800,000.00	1,780,875.00	0.875%	Aaa	1.340%	701
91282CBU4	4/30/2021	US Treasury Notes	3/31/2023	1,499,003.91	1,500,000.00	1,483,593.75	0.125%	Aaa	0.160%	395
912828ZD5	3/19/2021	US Treasury Notes	3/15/2023	1,207,921.88	1,200,000.00	1,192,500.00	0.500%	Aaa	0.170%	379
91282CBG5	2/19/2021	US Treasury N/B	1/31/2023	2,500,878.91	2,500,000.00	2,478,515.50	0.125%	Aaa	0.110%	336
91282CBD2	1/19/2021	US Treasury N/B	12/31/2022	2,499,511.72	2,500,000.00	2,481,640.50	0.125%	Aaa	0.140%	305
91282CAN1	10/30/2020	US Treasury N/B	9/30/2022	2,498,632.81	2,500,000.00	2,490,625.00	0.125%	Aaa	0.150%	213
				11,989,566.42	12,000,000.00	11,907,749.75	0.275%		0.321%	370
Total				26,137,329.25	25,876,584.53	25,825,138.10				
All investments were made in accordance with the Antelope Valley - East Kern Water Agency Investment Policy and Guidelines.										

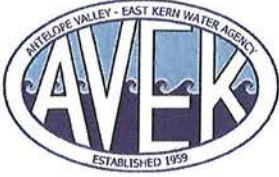
Antelope Valley-East Kern Water Agency								
Treasurer's Monthly Report								
February 28, 2022								
PFM Transactions, Month Ending February 28, 2022								
PFM Managed Portfolio								
CUSIP	Purchase Date	Issuer	Mat/Call Date	Par Value	Stated Rate	Total Int Earned	Days	Earnings %
Negotiable Certificates of Deposit								
<u>Purchases</u>								
no purchases during February 2022								
<u>Maturities/Calls</u>								
no maturities during February 2022								
Commercial Paper								
<u>Purchases</u>								
no purchases during February 2022								
<u>Maturities/Calls</u>								
06366HB48	5/13/2021	Bank of Montreal Chicago	2/4/2022	500,000	0.000%	-	267	0.190%
				500,000	0.000%	-		0.190%
Corporate Notes								
<u>Purchases</u>								
06406HCS6	2/10/2022	Bank of NY Mellon	2/4/2024	27,000	3.650%			
166764BV1	2/10/2022	Chevron Corp	5/11/2023	200,000	1.114%			
06406HCS6	2/10/2022	Bank of NY Mellon	2/4/2024	348,000	3.650%			
61744YAN8	2/10/2022	Morgan Stanley	1/23/2023	200,000	3.125%			
				775,000	2.860%			
<u>Maturities/Calls</u>								
166764BN9	5/12/2020	Chevron Corp	2/3/2022	\$ 175,000	2.498%	\$ 7,541	632	2.455%
91159HHC7	5/11/2020	US Bancorp	2/15/2022	\$ 175,000	3.000%	\$ 9,246	645	2.949%
				\$ 350,000	1.249%	\$ 16,787		1.227%

PFM Transactions, Month Ending February 28, 2022								
PFM Managed Portfolio								
CUSIP	Purchase Date	Issuer	Mat/Call Date	Par Value	Stated Rate	Total Int Earned	Days	Earnings %
Federal Agency Bonds/Notes								
<u>Purchases</u>								
no purchases during February 2022								
<u>Maturities/Calls</u>								
no maturities during February 2022								
US Treasury Bonds/Notes								
<u>Purchases</u>								
91282CDV0	2/9/2022	US Treasury N/B	1/31/2024	\$ 1,800,000	0.875%			
				\$ 1,800,000	0.875%			
<u>Maturities/Calls</u>								
no maturities during February 2022								
<u>Transfers</u>								
From Account	Date	To Account	Amount					
no transfers during February 2022								

Purchase Order Over \$25,000

Replacement of 6
Filter Influent Valves
at QHWTP

R & B Automation



STAFF REPORT

To: Board of Directors	Date: March 7, 2022
From: Dwayne Chisam, General Manager	Prepared By: Jon Bozigian, Operations Manager Reviewed By: Matthew Knudson, AGM <i>M.K.</i>
Subject: Capital Project ER22-09 QHWTP Filter Influent Valve Replacement	
Meeting Dates: March 21, 2022 (Finance) & March 22, 2022 (Board) Attachment(s): <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

Recommendation:

Staff is requesting that the Board:

1. Under Agency Purchasing Policy, Section 3.3, Paragraph iii, authorize R&B Automation to replace six 24” filter influent valves at the Quartz Hill Water Treatment Plant for a total cost of \$114,229.33.

Background:

These valves have been in service for the past 40 years and show signs of leakage and imminent failure. AVEK has used R&B Automation almost exclusively for the past 25 years for the following reasons:

- High degree of technical knowledge and experience.
- R&B is the sole source distributor for AUMA valve actuators in the Western United States.
- R&B stocks all common size valves whereas most suppliers have a 20 to 30 week lead time due to current supply chain limitations.
- While R&B does extensive rehab work for LADWP, Metropolitan Water and SoCal Gas Co, they have always made themselves available to AVEK Operations within 24 hours when an emergency arises.

Budget:

This work is a component of the approved 2021/2022 Capital Improvement Plan, item ER22-09. The budgeted amount is \$115,000. This project will be completed \$770.67 under budget.

Supporting Documents

- R&B Quote numbers 7563 (parts/materials and prevailing wage labor).



R&B Automation, Inc.
 PO Box 892470
 Temecula, CA 92589-2470
 CSLB No. 958126
 Phone Number: 951-693-0170
 Fax Number: 951-693-0190

Quote

Date	Quote Number
2/11/2022	7563

Terms	RBA Project No.
Net 30	_AVEK Quotes

Name / Address

Antelope Valley-East Kern Water Agency
 Quartz Hill Treatment Plant

FOB	Delivery
Temecula	3 - 4 Weeks

Description	Qty	Cost	Total
Attention: Jon Bozigian Project: Replace (6) 24" Filter Location: Quartz Hill Treatment Plant (Influent Valves) Estimated Lead Times: 3 - 4 Weeks			
24" BFV 150# with gaskets and bolt kits SS 316	6	8,869.00	53,214.00T
Fabricated mounting hardware and stainless steel HUB for 24" BFV	6	3,650.00	21,900.00
Prevailing Wage Field Service to install (6) 24" BFV and assemblies.	1	34,060.00	34,060.00
Please Note: 1) Factory Lead Times are Estimates Only and Beyond R&B's Control. 2) Any additional Unforeseen Costs/Visit/Time/Parts/Material not quoted will be billed additionally			

Subtotal	\$109,174.00
Sales Tax (9.5%)	\$5,055.33
Total	\$114,229.33

We are pleased to submit our quotation covering the items above. If we can be of further assistance, please do not hesitate to call upon us. ***This quote is valid for 30 days***

**Purchase Order Over
\$25,000**

**Replacement of 2
Filter Effluent Valves
at RWTP**

R & B Automation



STAFF REPORT

To: Board of Directors

Date: March 7, 2022

From: Dwayne Chisam, General Manager

Prepared By: Jon Bozigian, Operations Manager

Reviewed By: Matthew Knudson, AGM *M.K.*

Subject: **Capital Project ER22-11** RWTP Filter Effluent Valve Replacement

Meeting Dates: March 21, 2022 (Finance) & March 22, 2022 (Board) Attachment(s): YES NO

Recommendation:

Staff is requesting that the Board:

1. Under Agency Purchasing Policy, Section 3.3, Paragraph iii, authorize R&B Automation to replace two 16” filter effluent valves at the Rosamond Water Treatment Plant for a total cost of \$50,117.66.

Background:

These valves have been in service for the past 40 years and show signs of leakage and imminent failure. AVEK has used R&B Automation almost exclusively for the past 25 years for the following reasons:

- High degree of technical knowledge and experience.
- R&B is the sole source distributor for AUMA valve actuators in the Western United States.
- R&B stocks all common size valves whereas most supply houses have a 20 to 30 week lead time due to current supply chain limitations.
- While R&B does extensive rehab work for LADWP, Metropolitan Water and SoCal Gas Co, they have always made themselves available to AVEK Operations within 24 hours when an emergency arises.

Budget:

This work is a component of the approved 2021/2022 Capital Improvement Plan, item ER22-11. The budgeted amount is \$30,000. This project is \$20,117.66 over budget due to misalignment of filter effluent piping. Existing 16” diameter piping will need to be cut and realigned. Expansion couplings will then be installed to complete this project. *Currently, all Operations related Capital projects are a total of \$162,831 under budget.*

Supporting Documents

- R&B Quote numbers 7564 (parts/materials and prevailing wage labor).

R&B Automation, Inc.
 PO Box 892470
 Temecula, CA 92589-2470
 CSLB No. 958126
 Phone Number: 951-693-0170
 Fax Number: 951-693-0190

Quote

Date	Quote Number
2/11/2022	7564
Terms	RBA Project No.
Net 30	_AVEK Quotes

Name / Address

Antelope Valley-East Kern Water Agency
 Rosamond Treatment Plant

FOB	Delivery
Temecula	11 - 13 Weeks

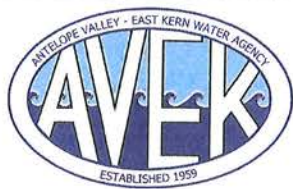
Description	Qty	Cost	Total
Attention: Jon Bozigian Project: Replace (2) 16" BFV Location: Rosamond Treatment Plant (Effluent Valves) Estimated Lead Time: 11 - 13 Weeks Scope of Work: Replace two 16" valves and cut and install 16" Hymax expansion couples on two filter Effluent pipelines at Rosamond treatment plant. Job includes all labor and materials to perform installation.			
16" BFV 150# with GS100 gearbox, mechanical coupling, gaskets and bolt kits SS 316	2	8,754.00	17,508.00T
Fabricated mounting hardware for 16" BFV	2	2,560.00	5,120.00T
Prevailing Wage Field Service to install (2) 16" BFV and assemblies.	1	25,340.00	25,340.00
Please Note: 1) Factory Lead Times are Estimates Only and Beyond R&B's Control. 2) Any additional Unforeseen Costs/Visit/Time/Parts/Material not quoted will be billed additionally			
Subtotal			\$47,968.00
Sales Tax (9.5%)			\$2,149.66
Total			\$50,117.66

We are pleased to submit our quotation covering the items above. If we can be of further assistance, please do not hesitate to call upon us. ***This quote is valid for 30 days***

Purchase Order Over \$25,000

Replacement of 1
Vertical Turbine
Pump at Leona
Valley Pump Station

Brax Process &
Pump Equipment



STAFF REPORT

To: Board of Directors	Date: March 18, 2022
From: Dwayne Chisam, General Manager	Prepared By: Jon Bozigian, Operations Manager Reviewed By: Matthew Knudson, AGM <i>M.K.</i>
Subject: Capital Project ER22-06 Leona Valley Pump Station Pump/Motor Replacement	
Meeting Dates: March 21, 2022 (Finance) & March 22, 2022 (Board) Attachment(s): <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	

Recommendation:

Staff is requesting that the Board:

1. Under Agency Purchasing Policy, Section 3.3, Paragraph iii, authorize Brax Process and Pump Equipment to replace one Leona Valley Pump Station Vertical Turbine pump for a cost of \$48,347.25.

Background:

This pump has been in service for the past 40 years and has become inefficient due to loss of pumping capacity and excessive amperage draw. AVEK utilizes the services of Preferred Pump Service & Brax Process and Pump Equipment for our pump replacement needs. Unfortunately, Preferred Pump Service has a 4 to 5 month lead time whereas Brax can complete the job in 10 to 12 weeks which will meet our high summer demand period.

Budget:

This work is a component of the approved 2021/2022 Capital Improvement Plan, item ER22-06. The budgeted amount is \$40,000. This project is \$8,347.25 **over** budget. *Currently, all Operations related Capital projects are a total of \$162,831 **under** budget.*

Supporting Documents

- Brax Process and Pump Equipment Quote number 40270, (parts/materials and prevailing wage labor).



PROCESS AND PUMP EQUIPMENT

31248 Valley Center Rd | Valley Center CA 92082 | 760 749 2209

**Due to ongoing supply chain issues and unstable costs of raw materials pricing is subject to change without notice.*

Quote

Quote # 40270
 Date 2/17/2022
 Sales Person BW
 Written By MIKE BURKEY
 Terms Net 30
 Freight PREPAID & ADD

Bill To:
 AVEK WATER AGENCY
 6500 WEST AVENUE N.
 PALMDALE, CA 93551

Ship To:
 AVEK WATER AGENCY
 6500 WEST AVENUE N.
 PALMDALE, CA 93551

Project PUMP #2 - 75HP

Packing

Part Number	Qty	Description	Unit	Total
		SUPPLY AND DELIVER A NEW VERTICAL TURBINE COMPLETE LESS MOTOR. INCLUDES DISCHARGE HEAD WITH DOORS, PACKING GLAND, PACKING, COLUMN & SHAFT ASSEMBLY, TURBINE BOWL ASSEMBLY, SS BASKET STRAINER. THE CONDITIONS OF THE PUMP ARE 337GPM @ 592FTDH THE COLUMN LENGTHS WILL BE ADJUSTED TO KEEP THE SAME TPL. LEAD TIMES ARE ESTIMATED BOWL ASSEMBLY; 3-4 WEEKS ARO BY MANUFACTURE DISCHARGE HEAD; 5-6 WEEKS ARO BY MANUFACTURE COLUMN ASSEMBLY; 1-2 WEEKS ARO BY MANUFACTURE FUSION BOND COATING 1-2 WEEKS ARO OF ALL PARTS ESTIMATED PUMP DELIVERY 10-12 WEEKS		
BRAX CO.	1	JOHNSTON 10AC - 12 STAGE TURBINE BOWL ASSEMBLY - SS IMPELLERS, DUAL BRONZE WEAR RINGS. MANUFACTURE LINING BOWL ID / 3M FUSION BOND BOWL OD.		
BRAX CO.	1	FABRICATED DISCHARGE HEAD - 300# DISCHARGE FLANGE / HINGED DOORS WITH LATCH 3M FUSION BOND COATING ID / PAINTED OD W/ POLYURETHANE TO MATCH STATION COLOR		
315-07538	1	SEAL GLAND SM 1 - 1.50 SHAFT		
BRAX CO.	1	PACKING FOLLOWER SS 1-3/16"		
315-07501	3	PACKING 3/8" GRAPHITE		
BRAX CO.	2	COLUMN ASSEMBLY T&C BUTT 6" X 4' 11-1/4" - 3M FUSION BOND EPOXY COAT ID/OD		
BRAX CO.	1	COLUMN ASSEMBLY T&C BUTT 6" X 9' 11-1/4" - 3M FUSION BOND EPOXY COAT ID/OD		
315-07545	60	SHAFT 1 3/16 RD 416SS PSQ (COLUMN SHAFT)		
315-07545	120	SHAFT 1 3/16 RD 416SS PSQ (COLUMN SHAFT)		
315-07545	72	SHAFT 1 3/16 RD 416SS PSQ (INTERMEDIATE SHAFT)		
315-07545	60	SHAFT 1 3/16 RD 416SS PSQ (HEAD SHAFT)		
315-07341	4	COUP SHAFT 1 3/16 304S 10TPI		
BRAX CO.	2	BRONZE RETAINER W/ RUBBER INSERT 1-3/16"		
BRAX CO.	1	SS BASKET STRAINER		
BRAX CO.	1	MISCELLANEOUS CONSUMABLES		
BRAX S.	1	SAND BLASTING / FUSION BOND EPOXY COATING - HEAD, BOWLS, COLUMN, PACKING GLAND		
MATERIAL	1	TOTAL MATERIAL	35,516.78	35,516.78T

CLSB 487325 CAGE 6U1W7 DIR 1000441272

(A 3.5% SURCHARGE WILL BE ADDED TO ALL CREDIT CARD PAYMENTS)

Page 1

ALL SALES SUBJECT TO TERMS AND CONDITIONS AT WWW.BRAXCOMPANY.COM



PROCESS AND PUMP EQUIPMENT

31248 Valley Center Rd | Valley Center CA 92082 | 760 749 2209

**Due to ongoing supply chain issues and unstable costs of raw materials pricing is subject to change without notice.*

Bill To:

AVEK WATER AGENCY
6500 WEST AVENUE N.
PALMDALE, CA 93551

Ship To:

AVEK WATER AGENCY
6500 WEST AVENUE N.
PALMDALE, CA 93551

Quote

Quote # 40270
Date 2/17/2022
Sales Person BW
Written By MIKE BURKEY
Terms Net 30
Freight PREPAID & ADD

Project PUMP #2 - 75HP

Part Number	Qty	Description	Unit	Total
LABOR	1	LABOR TO COMPLETE	8,440.00	8,440.00
FREIGHT	1	FREIGHT / SHIPPING; PREPAID & ADD (ESTIMATED AND WILL BE ADJUSTED)	750.00	750.00

CLSB 487325 CAGE 6U1W7 DIR 1000441272

Sales Tax (10.25%)

\$3,640.47

(A 3.5% SURCHARGE WILL BE ADDED TO ALL CREDIT CARD PAYMENTS)

Total

\$48,347.25

Page 2

ALL SALES SUBJECT TO TERMS AND CONDITIONS AT WWW.BRAXCOMPANY.COM

GM Report:

**Update on COP
Assessments**

City of Palmdale Invoices - check 81701 for \$2,976.77

Streetlight Maintenance Assessment District 4 – for fiscal year 7/1/21 through 6/30/22

There are 4 parcels assessed for a total of \$2,312.67

This Street Lighting Assessment District was formed in 2016 as part AVEK’s Avenue N Street Improvement Project. On February 17, 2016, AVEK submitted a request to the Palmdale City Engineer for the formation of this Street Lighting Assessment District. AVEK has paid these assessments annually beginning in 2016.

See attached:

- Assessment Statement for Fiscal Year 2021/2022
- Street Lighting Assessment District Formation request dated February 17, 2016
- Street Light Benefit Assessment District NO. 2016-172 Diagram Map
- City of Palmdale Streetlight Maintenance Assessment District No. 4 Engineer’s Report dated April 2016

Park Maintenance and Recreation Improvement District – for fiscal year 7/1/21 through 6/30/22

There are 7 parcels assessed for a total of \$664.10

The City of Palmdale gained the authority to levy assessments for Park Maintenance and Recreation Improvements for Fiscal Year 2002/03 and future years as a result of a city-wide assessment ballot proceeding which concluded on July 24, 2002. The assessments are levied based on the specific benefit to the property. The City Engineer’s report discusses the method used to determine the special benefit received by each parcel.

Based on Section 4 of Article XIII D of the California Constitution “Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from the assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.” And according to Section 5.7 of the City of Palmdale’s Park Maintenance and Recreation Improvement District Engineer’s Report, “the special benefits derived from the improvements are conferred on property and are not based on a specific owner’s use of the improvements, ... the benefits derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner.”

AVEK has paid these assessments annually beginning in 2004.

See attached:

- Assessment Statement for Fiscal Year 2021/2022
- Section 4 of Article XIII D of the California Constitution
- City of Palmdale Park Maintenance and Recreation Improvement Engineer’s Report for Fiscal Year 2021/22

City of Palmdale

Finance/Administrative Services
38300 N. Sierra Highway, Building D
Palmdale, CA 93550

**ASSESSMENT STATEMENT
FOR FISCAL YEAR 2021/22**
July 1, 2021 through June 30, 2022
Revised 2/1/22

Owner:
ANTELOPE VALLEY EAST KERN WATER AGENCY
6500 W AVENUE N
PALMDALE, CA 93551

Direct Bill Account Number: PZ10009

**PROPERTY OWNER APPROVED ASSESSMENT
Streetlight Maintenance Assessment District 4**

Assessment Details:

<u>Parcel No.</u>	<u>FY 2021/22 Assessment</u>	<u>Delinquent Assessment</u>
3204-022-901	\$245.75	\$0.00
3204-022-909	\$611.08	\$0.00
3204-022-920	\$626.44	\$0.00
3204-022-921	\$829.40	\$0.00

Total Due by and delinquent after 4/10/2022*: \$2,312.67

**If paid after April 10, 2022, a late penalty of \$231.27 (10%) must be added for payment to be accepted.
An additional interest penalty of \$34.69 per month (1.5% monthly) will begin to accrue if payment is not received by June 30, 2022.*

If you have questions about this invoice, please call the assessment administrator, NBS, at (800) 676-7516.

DETACH AND RETURN THIS STUB WITH YOUR PAYMENT

Direct Bill Account Number: PZ10009
Owner: ANTELOPE VALLEY EAST KERN WATER AGENCY
District: Streetlight Maintenance Assessment District 4

APN: 3204-022-901
3204-022-909
3204-022-920
3204-022-921

Make Check Payable to: City of Palmdale

Detach and mail with payment to:
City of Palmdale
Finance/Administrative Services
38300 N. Sierra Highway, Building D
Palmdale, CA 93550

Due by and delinquent after 4/10/2022*:

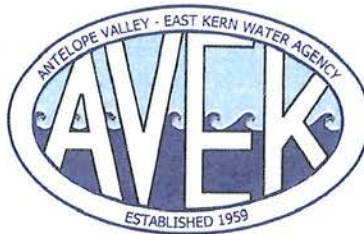
Amount Due: \$2,312.67

**If paid after April 10, 2022, a late penalty of \$231.27 (10%) must be added for payment to be accepted.
An additional interest penalty of \$34.69 per month (1.5% monthly) will begin to accrue if payment is not received by June 30, 2022.*

OFFICERS

DAN FLORY
General Manager

HOLLY H. HUGHES
Secretary-Treasurer



A PUBLIC AGENCY

BOARD OF DIRECTORS

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Division 2
President

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Division 5

MARLON BARNES
Division 6

NEAL A. WEISENBERGER
Division 7

Guillermo I. Padilla
City Engineer
38250 Sierra Highway
City of Palmdale, CA

February 17, 2016

**Subject: Street Light Benefit Assessment District Formation
Avenue N Street Improvements Project**

Antelope Valley – East Kern Water Agency (AVEK), Quartz Hill Facility
6450 West Avenue N, Palmdale, CA

Dear Mr. Padilla:

Antelope Valley Engineering has been authorized by AVEK to submit Street Lighting Assessment District Formation request for the subject project. The project involves the vertical realignment of a portion of Ave N, the addition of a west bound left turn lane and the installation of new street lights at the site entrance as required per the City's Site Plan Review 14-007. Below is the information of the Engineer:

Barry S. Munz
Antelope Valley Engineering
129 Pondera St.
Lancaster, CA
(661) 948-0805

The Assessment District boundary map and approved street lighting plans have been uploaded to ProjectDox for your review.

Please feel free to contact me with any questions.

Best Regards –

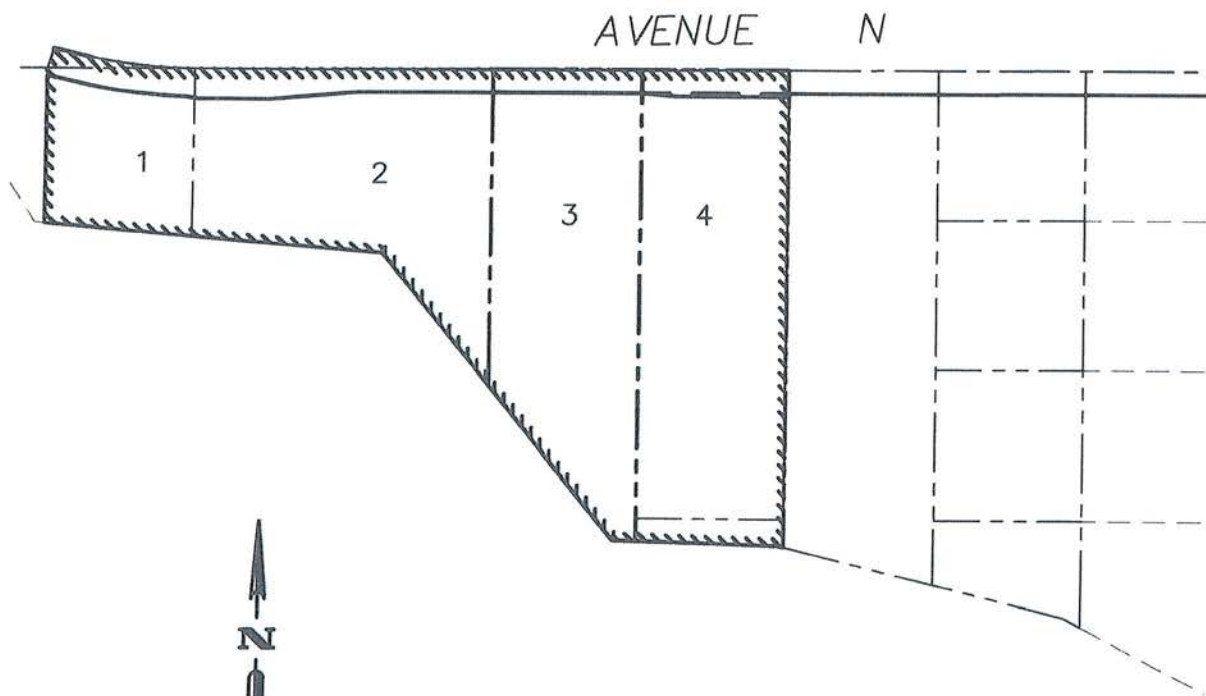
Virgil Clary
Project Manager



PALMDALE

a place to call home

STREET LIGHT BENEFIT ASSESSMENT DISTRICT NO. 2016-172



GRAPHIC SCALE



(IN FEET)

1 inch = 400 ft.

A.P.N. NO.'S: 3204-022-901 (1)
3204-022-909 (2)
3204-022-903 (3)
3204-022-908 (4)

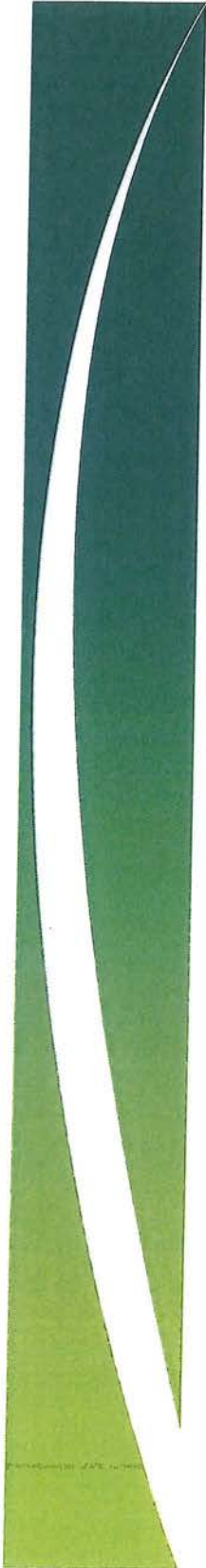
NO. OF LAMPS: 2 LAMP TYPE: 9,500 LUMEN

NO. OF LOTS: 4
 ACREAGE: 23.13 ACRES

LEGEND

DISTRICT BOUNDARY //////
 PROPERTY LINE -----
 STREET CENTERLINE - - - - -

PREPARED BY: A.V. ENGINEERING, INC.
 129 W. PONDERA ST.
 LANCASTER, CA 93534
 PHONE: (661) 948-0805
 FAX: (661) 945-8170



CITY OF PALMDALE
STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4
ANNEXATION 2016-172
ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK)
QUARTZ HILL FACILITY, 6500 WEST AVENUE N

ENGINEER'S REPORT

FISCAL YEAR 2016/2017

APRIL 2016
(FOR JUNE 1, 2016 CITY COUNCIL MEETING)

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972 AND
ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:
SCIConsultingGroup
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
WWW.SCI-CG.COM

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CITY OF PALMDALE

CITY COUNCIL

James C. Ledford Jr., Mayor
Steven D. Hofbauer, Mayor Pro Tem
Mike Dispenza, Councilmember
Roxana Martinez, Councilmember
Fred Thompson, Councilmember

CITY MANAGER

James Purtee

PUBLIC WORKS DIRECTOR

Michael J. Mischel, P.E.

CITY ATTORNEY

Wm. Matthew Ditzhazy

ENGINEER OF WORK

SCI Consulting Group
Lead Assessment Engineer, John Bliss, M.Eng., P.E.

TABLE OF CONTENTS

INTRODUCTION..... 1

 BACKGROUND 1

 ENGINEER’S REPORT 1

 LEGISLATIVE ANALYSIS 2

PLANS AND SPECIFICATIONS 6

FISCAL YEAR 2016/2017 ESTIMATE OF COST AND BUDGET 8

 DIRECT COSTS 9

 OTHER COSTS 9

 CITY CONTRIBUTION/GENERAL BENEFIT 9

ASSESSMENT DIAGRAM..... 10

METHOD OF ASSESSMENT 11

 ASSESSMENT METHODOLOGY 11

 DISCUSSION OF BENEFIT 11

 BENEFIT FACTORS..... 12

 GENERAL VERSUS SPECIAL BENEFIT 13

 QUANTIFICATION OF GENERAL BENEFIT..... 14

 ASSESSMENT METHODOLOGY 16

 ASSESSMENT APPORTIONMENT 18

CERTIFICATES 20

ASSESSMENT STATEMENT 21

APPENDIX A – ASSESSMENT ROLL 23

LIST OF TABLES

TABLE 1 – LIGHT INVENTORY 7

TABLE 2 – BUDGET SUMMARY 8

TABLE 3 – CALCULATION OF GENERAL BENEFIT 15

TABLE 4 – LAND USE DEFINITIONS 16

TABLE 5 – LOCAL LIGHTING BENEFIT FACTORS 17

TABLE 6 – LOCAL TRAFFIC SIGNAL BENEFIT FACTORS 17

TABLE 7 – PERIPHERAL STREETLIGHTS/TRAFFIC SIGNALS BENEFIT FACTORS 18

TABLE 8 – ASSESSMENT APPORTIONMENT 19

TABLE 9 – SUMMARY OF COST ESTIMATES – FISCAL YEAR 2016/2017 21

TABLE 10 – ASSESSMENT ROLL FOR FISCAL YEAR 2016/2017 23

LIST OF FIGURES

FIGURE 1 – ASSESSMENT DIAGRAM 10

INTRODUCTION

BACKGROUND

The City of Palmdale (the "City") provides maintenance and servicing of certain publicly-owned street and traffic lights throughout the City. In order to fund the maintenance and operation (the "Services") of these projects and improvements (the "Improvements"), the City has formed five Streetlight Maintenance Assessment Districts, including subsequent annexations, covering an area of approximately 26,000 acres and about 41,000 parcels. These assessment districts have been formed and the levies have been made pursuant to Part 2 of Division 15 of the *California Streets and Highways Code*, commonly known as the Landscape and Lighting Act of 1972 (the "Act"), and Article XIID of the California Constitution (the "Article").

In February 2016, the Antelope Valley – East Kern Water Agency (AVEK) requested the formation of a streetlight maintenance assessment district associated with the frontage improvements of their Quartz Hill Facility located at 6500 West Avenue N in the City of Palmdale. This property is located between West Avenue N and the California Aqueduct, on Parcel Numbers 3204-022-901, 3204-022-903, 3204-022-908, and 3204-022-909. After consultation with City staff, the decision was made to create a new streetlight assessment district for this project.

The Palmdale Streetlight Maintenance Assessment District No. 4 (the "District"), Annexation 2016-172 (the "Assessment District" or "Annexation"), is proposed to include funding for the maintenance and operation of street lights, traffic lights, and related improvements (the "Improvements and Services") that benefit the AVEK Quartz Hill Facility property that forms the Assessment District. The property proposed to be included in the Assessment District consists of approximately 21.48 acres of non-residential / light industrial property.

AVEK proposes to construct frontage improvements along West Avenue N. This Assessment District annexation, described in this Engineer's Report, results from agreements or conditions of approval between the City of Palmdale and the property owner, AVEK, whereby the City and property owner agreed on the maintenance and operation of the additional street lights to enhance the safety, utility, and access of the parcels within the Assessment District.

ENGINEER'S REPORT

This Engineer's Report ("Report") was prepared to establish the budget for the services that would be funded by the proposed 2016/2017 assessment, to determine the benefits received from the maintenance and operation of the additional street lights within the Assessment District, and to define the method of assessment apportionment to lots and parcels. This Report and the proposed assessments have been prepared pursuant to the Landscape and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code and Article XIID of the California Constitution.

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4, ANNEXATION 2016-172

ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.

ENGINEER'S REPORT, FY 2016/2017



SCI Consulting Group

Following submittal of this Report to the City of Palmdale City Council (the "Council") for preliminary approval, the Council may, by its Resolution No. CC 2016-053, call for an assessment ballot proceeding, and public hearing on the proposed establishment of assessments for the Improvements.

If the Council approves Resolution No. CC 2016-053, a notice of assessment and assessment ballot will be mailed to property owners within the Assessment District at least 45 days prior to the date of the public hearing. Such notice would include a description of the proposed assessments, as well as an explanation of the method of voting on the assessments. Each notice would also include a ballot on which the property owner could mark his or her approval or disapproval of the proposed assessments, and a postage prepaid return envelope.

After the ballots are mailed to the property owner in the Assessment District, a minimum 45-day time period must be provided for the return of the assessment ballots. However, the property owner may waive their right to the 45-day ballot period in order to expedite annexations to the District, by so signing the ballot in agreement to this effect. Following the ballot period, a public hearing must be held for the purpose of allowing public testimony regarding the proposed assessments. This hearing is scheduled for June 1, 2016 at 7:00 p.m. At this hearing, the public will have the opportunity to speak on this issue, and returned ballots will be tabulated.

If it is determined at the public hearing that the assessment ballots submitted in opposition to the proposed assessments do not exceed the assessment ballots submitted in favor of the assessments (weighted by the proportional financial obligation of the property for which ballots are submitted), the Council may take action to authorize the Annexation 2016-172 to the Streetlight Maintenance Assessment District No. 4, and approve the levy of the assessments for Fiscal Year 2016/2017. If the assessments are so confirmed and approved, the levies would be submitted to the County Auditor/Controller for inclusion on the property tax roll for Fiscal Year 2016/2017 or, in the case of property owned by a public agency, such as AVEK, would be manually billed for Fiscal Year 2016/2017.

Charges for Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, shall be levied for fiscal year 2016/2017 upon formation of the Assessment District as provided herein.

LEGISLATIVE ANALYSIS

PROPOSITION 218

The Right to Vote on Taxes Act was approved by the voters of California on November 6, 1996, and is now Article XIII C and XIII D of the California Constitution. Proposition 218 provides for benefit assessments to be levied to fund the cost of providing services, improvements, as well as maintenance and operation expenses to a public improvement which benefits the assessed property. This Assessment District will be balloted and approved by property owners in accordance with Proposition 218.

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4, ANNEXATION 2016-172

ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.

ENGINEER'S REPORT, FY 2016/2017



SCI Consulting Group

SILICON VALLEY TAXPAYERS ASSOC., INC. V SANTA CLARA COUNTY OPEN SPACE AUTHORITY

In July of 2008, the California Supreme Court issued its ruling on the Silicon Valley Taxpayers Association, Inc. vs. Santa Clara County Open Space Authority (SVTA). This ruling is the most significant court case in further legally clarifying the substantive assessment requirements of Proposition 218. Several of the most important elements of the ruling included further emphasis that:

- Benefit assessments are for special benefits to property, not general benefits.
- The services and/or improvements funded by assessments must be clearly defined.
- Assessment districts must be drawn to contain all parcels that receive a special benefit from a proposed public improvement.
- Assessments paid in the assessment district must be proportional to the special benefit received by each such parcel from the improvements and services funded by the assessment.

This Engineer's Report and the process used to establish these proposed assessments for fiscal year 2016/2017 are consistent with the SVTA decision and with the requirements of Article XIIC and XIID of the California Constitution based on the following factors:

1. The Assessment District is narrowly drawn to include only the properties that receive special benefit from the specific Improvements and Services. Thus, zones of benefit are not required and the assessment revenue derived from real property in each Assessment District is extended only on the Services in the Assessment District.
2. The Improvements which are constructed and/or maintained with assessment proceeds in the Assessment District are located in close proximity to the real property subject to the assessment. The Improvements and Services provide illumination to streets and sidewalks enabling improved access to the owners, residents, and guests of such assessed property. The proximity of the Improvements to the assessed parcels and the improved access and increased safety provided to the residents of the assessed parcels by the Improvements, provides a special benefit to the parcels being assessed pursuant to the factors outlined by the Supreme Court in that decision.
3. Due to their proximity to the assessed parcels, the Improvements and Services financed with assessment revenues in the Assessment District benefit the properties in the Assessment District in a manner different in kind from the benefit that other parcels of real property in the City derive from such Improvements and Services, and the benefits conferred on such property in the Assessment District are more extensive than a general increase in property values.
4. The assessments paid in the Assessment District are proportional to the special benefit that each parcel within the Assessment District receives from the Services because:

- a. The specific lighting Improvements and maintenance Services and utility costs thereof in the Assessment District and the costs thereof are specified in this Report; and
- b. The cost of the Services in the Assessment District is allocated among different types of property located within the Assessment District, and equally among those properties which have similar characteristics, such as single-family residential parcels, multi-family residential parcels, commercial parcels, or industrial parcels.

DAHMS V. DOWNTOWN POMONA PROPERTY

On June 8, 2009, the 4th Court of Appeal amended its original opinion upholding a benefit assessment for property in the downtown area of the City of Pomona ("*Dahms*"). On July 22, 2009, the California Supreme Court denied review. On this date, *Dahms* became good law and binding precedent for assessments. In *Dahms* the Court upheld an assessment that was 100% special benefit (i.e. 0% general benefit) on the rationale that the services and improvements funded by the assessments were directly provided to property in the assessment district. The Court also upheld discounts and exemptions from the assessment for certain properties.

BONANDER V. TOWN OF TIBURON

On December 31, 2009, the 1st District Court of Appeal overturned a benefit assessment approved by property owners to pay for placing overhead utility lines underground in an area of the Town of Tiburon ("*Bonander*"). The Court invalidated the assessments on the grounds that the assessments had been apportioned to assessed property based in part on relative costs within sub-areas of the assessment district instead of proportional special benefits.

BEUTZ V. COUNTY OF RIVERSIDE

On May 26, 2010 the 4th District Court of Appeal issued a decision on the Steven Beutz v. County of Riverside ("*Beutz*") appeal. This decision overturned an assessment for park maintenance in Wildomar, California, primarily because the general benefits associated with improvements and services were not explicitly calculated, quantified and separated from the special benefits.

GOLDEN HILL NEIGHBORHOOD ASSOCIATION V. CITY OF SAN DIEGO

On September 22, 2011, the San Diego Court of Appeal issued a decision on the Golden Hill Neighborhood Association v. City of San Diego appeal. This decision overturned an assessment for street and landscaping maintenance in the Greater Golden Hill neighborhood of San Diego, California ("*Greater Golden Hill*"). The court described two primary reasons for its decision. First, like in *Beutz*, the court found the general benefits associated with services were not explicitly calculated, quantified and separated from the special benefits. Second, the court found that the City had failed to record the basis for the assessment on its own parcels.

COMPLIANCE WITH CURRENT LAW

This Engineer's Report is consistent with the requirements of Article XIIC and XIID of the California Constitution and with the SVTA decision because the Improvements to be funded are clearly defined; the Improvements are directly available to and will directly benefit property in the Assessment District; and the Improvements and Services provide a direct advantage to property in the Assessment District that would not be received in absence of the Assessments.

This Engineer's Report is consistent with *Beutz, Dahms and Greater Golden Hill* because the Improvements and Services will directly benefit property in the Assessment District and the general benefits have been excluded from the Assessments. The Engineer's Report is consistent with *Bonander* because the Assessments have been apportioned based on the overall cost of the Improvements and Services and proportional special benefit to each property.

PLANS AND SPECIFICATIONS

The work proposed to be undertaken by the City, and the cost thereof paid from the levy of the annual assessment, provide special benefit to Assessor Parcels within the Assessment District defined in the Method of Assessment herein. Consistent with the Act, the Improvements and Services are generally described as follows:

The maintenance and servicing of local streetlight, traffic signal, and highway safety light structures in close proximity to certain lots and parcels which provide a direct special benefit to such lots or parcels.

The Improvements and Services include, but are not limited to, the removal, repair, relocation, replacement or acquisition of light standards, poles, bulbs, fixtures and appurtenances, electrical energy, supplies, engineering and incidental costs relating to the maintenance and servicing of the street lighting and traffic signal improvements benefiting the parcels within the Assessment District.

The Act defines "service" or "servicing" as:

"Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements."

Plans and specifications for the Improvements and Services will be filed with the City Engineer of the City of Palmdale, and are incorporated herein by reference. In addition, the specific location of both local and peripheral streetlight and traffic signal Improvements within the City can be found on the Streetlight Inventory Maps, maintained by the City and on file in the office of the Director of Public Works where they are available for inspection. The City also maintains a lamp location list that is a tabulated listing of every street in all the assessment districts and annexations by alphabetical order. Included in the items listed for each lamp are the exact location by street address number and lamp size. Also included within the City streetlight system are traffic signals and highway safety lights (lights mounted on traffic signal poles).

The Improvements and Services include the operation and maintenance of Southern California Edison-owned, or City-owned, streetlights within the right of way of the local public streets located within the boundaries of the Assessment District. These lights all abut or are within close proximity to the parcels within the Assessment District identified as receiving local lighting benefit in the Method of Assessment, and as such, provide special benefit to these parcels.

All streetlight maintenance will be performed jointly by Southern California Edison (SCE) and the City of Palmdale.

The proposed Improvements are listed in the following table:

TABLE 1 – LIGHT INVENTORY

Street Lights:		2	
No. of Lamps		Lamp Type	
2	-	9,500 lumens (100 watts) HPSV lamps	
0	-	16,000 lumens (150 watts) HPSV lamps	
0	-	22,000 lumens (200 watts) HPSV lamps	
0	-	27,500 lumens (250 watts) HPSV lamps	
Traffic Signals (Local): N/A			
Peripheral Improvements: Traffic Signals			

These quantities are subject to change and are based on preliminary information. For final quantities and locations please refer to the approved streetlight plans on file in the office of the City Engineer.

FISCAL YEAR 2016/2017 ESTIMATE OF COST AND BUDGET

A summary budget for fiscal year 2016/2017 for the Improvements and Services is provided below. The full Itemized Budget for the Assessment Districts is voluminous and is not bound in this report but by reference is incorporated and made a part of this report. The Itemized Budget is on file in the Department of Public Works, where it is available for public inspection.

TABLE 2 – BUDGET SUMMARY

CITY OF PALMDALE STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT No. 4 ANNEXATION 2016-172 - Antelope Valley - East Kern Water Agency (AVEK), Quartz Hill Facility Cost Estimates FY 2016/2017		
Budget Item		Costs
Direct Costs		
Labor/Materials	\$753.98	
Streetlight Maintenance/Utility Costs	\$1,759.28	
Total Direct Costs		\$2,513.26
Other Costs		
Total Other Costs	\$628.32	\$628.32
Total Estimated Expenditures		\$3,141.58
Net Amount to Assess		\$3,141.58
Budget Allocation to Property		
Local Street Lights		
Total Acres	21.48	
Total EDUs *	21.48	
Annual Assessment Rate per EDU	\$96.40	
		\$2,070.71
Local Traffic Signals		
Total Acres	21.48	
Total EDUs *	12.89	
Annual Assessment Rate per EDU	\$27.54	
		\$354.97
Peripheral Streetlights/Traffic Signals		
Total Acres	21.48	
Total EDUs *	51.98	
Annual Assessment Rate per EDU	\$13.77	
		\$715.89
Total Maximum 2016/2017 Annual Assessment		\$3,141.58

* See Table 8 on page 19 for EDU (Equivalent Dwelling Unit) calculations.

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT No. 4, ANNEXATION 2016-172

ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.

ENGINEER'S REPORT, FY 2016/2017

SCI Consulting Group

DIRECT COSTS

The following cost descriptions apply to the budget:

LABOR, MATERIALS, EDISON COSTS

Labor, Material, and equipment includes all labor, material, and equipment including electricity required to properly maintain and service the Improvements and appurtenant facilities within the Assessment District. All Improvements within the Assessment District will be maintained and serviced on a regular basis.

RENOVATION, INSTALLATION, ACQUISITION

Repairs that are unforeseen and not normally included in the yearly maintenance cost. This may include repair of damage due to vandalism and traffic accidents. Planned upgrades of the Improvements that provide a direct benefit to the Assessment District could also be included in renovation costs. The installation or construction of public lighting facilities, or the acquisition of any existing improvements are also included.

UTILITY COSTS/ELECTRICITY

The furnishing of electricity required for the operation of the street lighting, applicable to service for the lighting of streets and highways, where Southern California Edison (SCE) owns and/or maintains the lighting equipment and associated facilities.

OTHER COSTS

PERSONNEL

The cost of City staff for providing street lighting maintenance, the coordination and oversight for maintenance and servicing by Southern California Edison or by City staff, responding to public concerns, and levying and collecting assessments. This includes reimbursement for time spent by Finance and Accounting departments, City Attorney, City Manager, and Public Works staff.

CONSULTANTS

The cost of contracting with professionals to provide services specific to the levy and annual administration of the Assessment.

PROFESSIONAL FEES

The costs of contracting with professionals to provide any additional administrative or engineering services specific to the annexation, such as the cost to prepare and mail notices of the public meeting and hearing, or preparation of assessment diagrams.

COUNTY ADMINISTRATION FEES

The costs charged by the County to place the assessments on the property tax rolls.

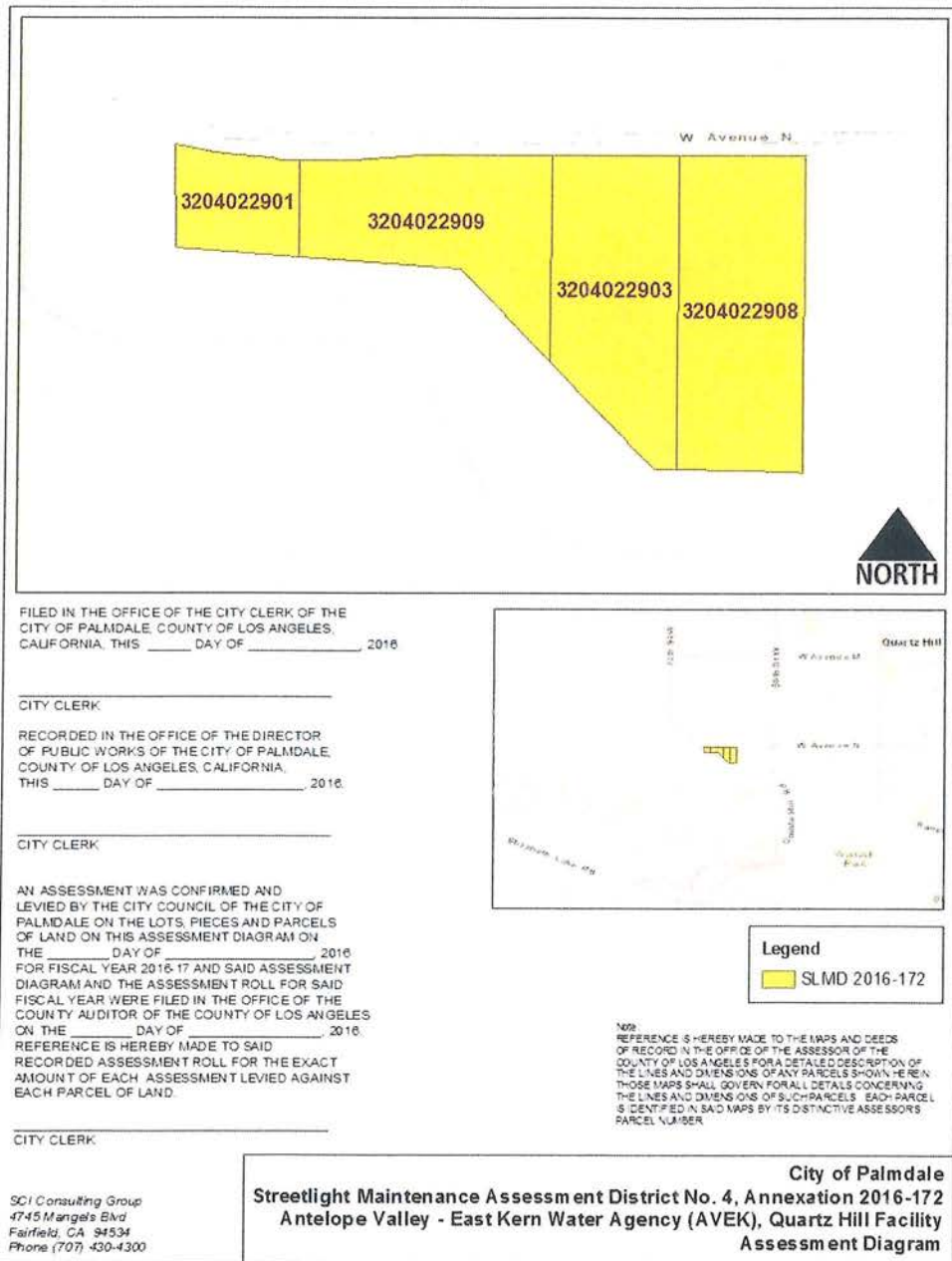
CITY CONTRIBUTION/GENERAL BENEFIT

Any funds added to the Districts' and Annexations' accounts by the City from the City's General Fund Account or other revenue source.

ASSESSMENT DIAGRAM

The boundaries of the City of Palmdale Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, is shown on the Assessment Diagram below.

FIGURE 1 – ASSESSMENT DIAGRAM



METHOD OF ASSESSMENT

ASSESSMENT METHODOLOGY

This section of the Engineer's Report includes an explanation of the benefits to be derived from the Improvements and Services throughout the Assessment District and the Assessment methodology used to apportion the total Assessment to properties within the Assessment District.

The Assessment District consist of all assessor parcels within the boundaries, as defined by the Assessment Diagram included with this report, and the parcels identified by the Assessor Parcel Numbers listed in the assessment roll, also included in this report. The parcel list includes all privately and publically owned parcels within the boundaries. The method used for apportioning the Assessment is based on the proportional special benefits to be derived by the properties in the Assessment District, over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the Improvements and Services, and the second step is to allocate the Assessments to property based on the estimated relative special benefit for each type of property.

DISCUSSION OF BENEFIT

The Assessments can only be levied based on the special benefit to property. This special benefit is received by a property over and above any general benefit. The assessments are levied upon those parcels within an identified Assessment District where the Improvements and Services provided are specific to those parcels. Moreover, such a benefit is not based on any one property owner's use of the Improvements and Services or a property owner's specific demographic status. With reference to the requirements for Assessments, Section 22573 of the Act states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, as codified in Article XIII D of the California Constitution, has confirmed that Assessments must be based on the special benefit to property:

No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

The following benefit categories summarize the types of special benefit to residential, commercial, industrial, and other lots and parcels resulting from the Services. These categories of special benefit are derived in part from the statues passed by the California Legislature and other studies which describe the types of special benefit received by the

property from the installation, maintenance and servicing of improvements such as those proposed by the City of Palmdale and the Streetlight Maintenance Assessment District No. 4, Annexation 2016-172. These types of special benefit are summarized as follows:

- Proximity to Improvements within the Assessment District.
- Improved safety and security lighting for property.
- Improved ingress and egress to property for vehicular traffic and pedestrians.
- Creation of individual lots for development or approval of building permits that in the absence of the assessments would not have been created or approved.

The recent Silicon Valley Taxpayers Association, Inc. vs. Santa Clara County Open Space Authority (SVTA) decision provides enhanced clarity to the definition of special benefits to property based on the proximity of the Improvements and Services.

The SVTA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel, and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA decision also provides specific guidance that improvements that are proximate to property are a direct advantage and special benefit to property:

“the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district’s property values).”

Proximity, in addition to the other special benefits listed above, further strengthens the basis of this assessment.

BENEFIT FACTORS

The special benefits from the Improvements and Services are further detailed below:

PROXIMITY TO IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICT

Only the specific properties within close proximity to the Improvements and Services are included in the Assessment District. Therefore, property in the Assessment District enjoys unique and valuable proximity to the Improvements that the public at large and property outside the Assessment District do not share.

In absence of the assessments, the Improvements and Services would not be provided and would be degraded or inoperable due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide Improvements and Services that are over and above what otherwise would be provided. Improvements and Services that are over and above what otherwise would be provided do not by themselves translate into special benefits but, when combined with the unique proximity enjoyed by parcels in the Assessment District, they provide a direct advantage and special benefit to property in the Assessment District.

IMPROVED SAFETY AND SECURITY LIGHTING FOR PROPERTY

Parcels within the Assessment District are located close to, and in some cases directly next to, street lights that provide illumination of the streets and sidewalks adjacent to the properties in the Assessment District. This illumination increases safety by allowing pedestrians and drivers of vehicles to see better during hours of dusk and darkness. The illumination also serves to deter criminal activity during hours of dusk and darkness. This is a direct advantage and special benefit to the property in the Assessment District.

IMPROVED INGRESS AND EGRESS TO PROPERTY FOR VEHICULAR TRAFFIC AND PEDESTRIANS

The Improvements and Services provide illumination to streets and sidewalks in and immediately adjacent to the Assessment District. This illumination allows improved ingress and egress to the parcels within the Assessment District and reduces the potential for accidents and property damage. This is a direct advantage and special benefit to the property in the Assessment District.

CREATION OF INDIVIDUAL LOTS FOR DEVELOPMENT OR APPROVAL OF BUILDING PERMITS THAT IN ABSENCE OF THE ASSESSMENTS WOULD NOT HAVE BEEN CREATED OR APPROVED

The developer or the owner of the property at the time of development agreed to the assessments. As parcels were sold, new owners were informed of the assessments through the title reports, and in some cases, through Department of Real Estate "White Paper" reports that the parcels were subject to assessment. Purchase of property was also an "agreement" to pay the assessment. Moreover, in absence of the assessments, the lots within the Assessment Districts would not have been created or building permits would not have been approved. These lots, and the Improvements they support, are a special benefit to the property owners.

GENERAL VERSUS SPECIAL BENEFIT

The proceeds from Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, are used to fund Improvements and increased levels of maintenance to the public facilities that serve and benefit the properties in the Assessment District. In absence of the Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, such Improvements would not be properly maintained. Therefore, the Assessment District's purpose is to ensure that the necessary and beneficial public facilities for property in the Assessment District are properly maintained and repaired over time. The assessments will ensure that street lighting and associated improvements within and adjacent to the Assessment District are functional, well maintained and safe. These public resources directly benefit the property in the Assessment District and will confer distinct and special benefits to the properties within the Assessment District. Moreover, in absence of the assessments, a condition of development would not be met and future construction in the Assessment District could be denied. The creation of individual lots, if any, and the approval for construction in the Assessment District, is the overriding clear and distinct special benefit conferred exclusively on property in the Assessment District and not enjoyed by other properties outside the Assessment District. Therefore, the assessments solely provide

special benefit to property in the Assessment District over and above the general benefits conferred to the public at large or properties outside the Assessment District.

Although the Improvements maintained by the Services may be available to the general public at large, the Improvements and Services are specifically designed, located and created to provide additional and improved resources for property inside the Assessment District, and not the public at large. Other properties that are outside the Assessment District do not enjoy the unique proximity and other special benefit factors described previously. These Improvements and Services are of special benefit to properties located within the Assessment District because they provide a direct advantage to properties in the Assessment District that would not be provided in absence of the Assessments. Any general benefits to surrounding properties outside of the Assessment District, if any there were, are collateral and conferred concomitantly.

QUANTIFICATION OF GENERAL BENEFIT

Although the analysis used to support these assessments concludes that the benefits are solely special, as described above, consideration is made for the suggestion that a portion of the benefits are general. General benefits cannot be funded by these assessments – the funding must come from other sources.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including the City of Palmdale, Los Angeles County, and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. curbs, gutters, streets, drainage systems, etc.). This funding from other sources more than compensates for general benefits, if any, received by the properties within the Assessment District.

In the 2009 Dahms case, the court upheld an assessment that was 100% special benefit on the rationale that the services funded by the assessments were directly provided within the assessment district. It is also important to note that the improvements and services funded by the assessments in Pomona are similar to the improvements and services funded by the Assessments described in this Engineer's Report, and the Court found these improvements and services to be 100% special benefit. Also similar to the assessments in Pomona, the Assessments described in this Engineer's Report fund Improvements and Services directly provided within the Assessment District, and every benefiting property in the Assessment District enjoys proximity and access to the Improvements. Therefore, Dahms establishes a basis for minimal or zero general benefits from the Assessments.

STEP 1 – CALCULATE GENERAL BENEFIT

The General Benefits from this assessment may be quantified as illustrated in the following table.

TABLE 3 – CALCULATION OF GENERAL BENEFIT

Benefit Factor	Relative Weight	General Benefit Contribution	Relative General Benefit
Improved safety and security lighting for property	5	25%	1.25
Improved ingress and egress to property for vehicular traffic & pedestrians	5	25%	1.25
Creation of individual lots for development or approval of building permits	90	0%	0
	100		2.5
	Total Calculated General Benefit =		2.5%

As a result, the City of Palmdale will contribute at least 2.5% of the total budget from sources other than the assessment. This contribution offsets any general benefits from the Assessment Services.

STEP 2 – CALCULATE THE CURRENT GENERAL BENEFIT CONTRIBUTION FROM THE CITY

This general benefit contribution is the sum of the following components:

The City of Palmdale owns, maintains, rehabilitates and replaces curb and gutter along the border of the Assessment District improvements. This curb and gutter serves to support, contain, retain, manage irrigation flow and growth, and provide a boundary for the Improvements. The contribution from the City of Palmdale towards general benefit from the maintenance, rehabilitation, and replacement of the curb and gutter is conservatively estimated to be 1%.

The City of Palmdale owns and maintains a storm drainage system along the border of the Assessment District Improvements. This system serves to prevent flooding and associated damage to the improvements, and manage urban runoff including local pollutants loading from the Improvements. The contribution from the City of Palmdale towards general benefit from the maintenance, and operation of the local storm drainage system is conservatively estimated to be 1%.

The City of Palmdale owns and maintains local public streets along the border of the Assessment District Improvements. These public streets provide access to the Improvements for its enjoyment as well as efficient maintenance. The contribution from the City of Palmdale towards general benefit from the maintenance of local public streets is conservatively estimated to be 1%.

The value of the construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this "annuity" can be used to offset general benefit costs, and is conservatively estimated to contribute 25%.

Therefore the total General Benefit is conservatively quantified at 2.5% which is more than offset by the total non-assessment contribution towards general benefit of 28%.

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4, ANNEXATION 2016-172
 ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.
 ENGINEER'S REPORT, FY 2016/2017



ASSESSMENT METHODOLOGY

The second step in apportioning assessments is to determine the relative special benefit for each property. The Assessment Districts and Annexations assessments are based on land use to ensure properties are assessed in proportion to the benefits received. The land uses defined below are descriptive of all potential parcels. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Equivalent Dwelling Units (EDUs). This EDU methodology is commonly used to distribute assessments in proportion to estimated special benefit, and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this Engineer's Report, all properties are designated an EDU value, which is each property's relative benefit in relation to a single family home on one parcel. In this case, the "benchmark" property is the single family detached dwelling which is one Equivalent Dwelling Unit or one EDU.

TABLE 4 – LAND USE DEFINITIONS

Land Use Code	Land Use Description
RES	Single family residential parcels that benefit from local lighting
CONDO	Condominium or town home parcels that benefit from local lighting
APT	Multiple family residential parcels that benefit from local lighting
MH	Mobile homes that benefit from local lighting
NONRES	Non-residential parcels that benefit from local lighting
NONRES / LIGHT INDUSTRIAL	Non-residential / light industrial parcels that benefit from local lighting
VACANT	Parcels without a building or similar structure that benefit from local lighting
EXEMPT	Parcels exempt by law from the assessment, or those parcels that do not benefit from the Districts and Annexations

LOCAL LIGHTING APPORTIONMENT

The special benefit from the maintenance, operation, and servicing of local streetlights within the Assessment District only accrues to those parcels within the Assessment District located in areas where such lighting is provided. Parcels within the Assessment District, regardless of location, are considered to benefit from such improvements installed within the Assessment District. These benefit factors were defined earlier in the Benefit Factors section. The Benefit Factor is apportioned to properties in the Assessment District based on the relative property size or units as available from the City of Palmdale Planning Department. The following Table - Local Lighting Benefit Factors, shows the breakdown of the benefit points assigned to each land use for those properties located in areas with streetlights. Assessments for local street lighting will be determined using the following Table and the current EDU rate to maintain streetlights within each individual Assessment District and Annexation.

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4, ANNEXATION 2016-172

ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.

ENGINEER'S REPORT, FY 2016/2017

 SCI Consulting Group

TABLE 5 – LOCAL LIGHTING BENEFIT FACTORS

Land Use Description	Safety Benefit	Availability Benefit	Total Equivalent Dwelling Units (EDUs)
Single Family Residential (SFR)	0.75/unit	0.25/parcel	1.00 EDU/parcel
Condominium	0.55/unit	0.25/parcel	0.80 EDU/parcel
Multi-family up to 20 units	0.54/unit	0.25/parcel	0.54 EDU/unit + 0.25 EDU/parcel
Multi-family more than 20 units	0.45/unit + 1.80/parcel	0.25/parcel	0.45 EDU/unit + 2.05 EDU/parcel
Mobile Home up to 20 units	0.33/unit	0.25/parcel	0.33 EDU/unit + 0.25 EDU/parcel
Mobile Home more than 20 units	0.20 /unit + 2.60/parcel	0.25/parcel	0.20 EDU/unit + 2.85 EDU/parcel
Non-residential	2.50/acre	1.50/acre	4.00 EDU/net acre
Non-residential/Light industrial	0.60/acre	0.40/acre	1.00 EDU/net acre
Vacant	0.25/parcel	0.25/parcel	0.50 EDU/parcel

An EDU (Equivalent Dwelling Unit) is used as a way to relate dissimilar land uses such as commercial and residential. As an example, one acre of commercial is approximately equal to 4 residential parcels.

LOCAL TRAFFIC SIGNAL APPORTIONMENT

The special benefit from the maintenance, operation, and servicing of local traffic signals, including safety lights mounted on the traffic signals within the Assessment District, is similar to the local streetlights. Therefore, the Benefit Factor is apportioned to properties in the Assessment District based on the relative property size or units as available from the City of Palmdale Planning Department. The following Table - Local Traffic Signal Benefit Factors, shows the breakdown of the benefit points assigned to each land use for those properties located in areas with local traffic signals. Assessments for local traffic signals will be determined using the following Table and the current EDU rate to maintain traffic signals within each individual Assessment District and Annexation.

TABLE 6 – LOCAL TRAFFIC SIGNAL BENEFIT FACTORS

Land Use Description	Total Equivalent Dwelling Units (EDUs)
Single Family Residential (SFR)	0.75 EDU/Parcel
Condominium	0.68 EDU/Parcel
Multiple Family	0.45 EDU/Unit + 0.25 EDU/Parcel
Mobile Home	0.20 EDU/Unit + 0.25 EDU/Parcel
Non-residential	2.50 EDU/Acre
Non-residential/Light Industrial	0.60 EDU/Acre
Vacant	0.25 EDU/Parcel

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4, ANNEXATION 2016-172

ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.

ENGINEER'S REPORT, FY 2016/2017



PERIPHERAL STREETLIGHTS/TRAFFIC SIGNALS APPORTIONMENT

Parcels in the Assessment District receive special benefit from the installation, maintenance, operation, and servicing of safety lighting and streetlights, and traffic signals on peripheral streets located outside of the District. The peripheral lighting, traffic signals, safety lighting and capital improvements (arterial lighting) are provided throughout the City and properties in the District may easily access these improvements. In contrast to the local lighting, peripheral lighting benefits properties primarily because the properties are provided safe peripheral street access. Therefore, peripheral lighting benefits will be apportioned to parcels in the District based on the relative property size or units as available from the City of Palmdale Planning Department.

Vacant properties also benefit from peripheral lighting because of the convenience associated with emergency vehicle access and other traffic that must use the arterial streets to service the vacant properties in the District. Therefore, vacant parcels are assigned a per parcel benefit point. Vacant parcels are assigned benefit points based on the core benefit attributable to every assessable parcel in the District from peripheral lighting of 0.25 benefit points per parcel.

The following Table -- Peripheral Streetlights/Traffic Signals Benefit Factors, shows the breakdown of the benefit points assigned to each land use for assessable property in the Assessment District.

TABLE 7 – PERIPHERAL STREETLIGHTS/TRAFFIC SIGNALS BENEFIT FACTORS

Land Use Description	Total Benefit Points
Single Family Residential (SFR)	1.00 EDU/Parcel
Condominium	0.85 EDU/Parcel
Multiple Family	0.95 EDU/Parcel
Mobile Home	0.40 EDU/unit
Non-residential	1.00 EDU/7,200 square feet (parcel size)
Non-residential/Light Industrial	0.40 EDU/7,200 square feet (parcel size)
Vacant	0.25 EDU/Parcel

ASSESSMENT APPORTIONMENT

The proposed Improvements and Services, and the assessments for Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, provide direct and special benefit to properties in the Assessment District. Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, is a non-residential / light industrial development project consisting of 21.48 acres of non-residential / light industrial land. As such, parcels receive similar benefit from the Services in proportion to the parcel's size. Therefore, the Engineer has determined that the appropriate method of apportionment of the benefits derived by all parcels is on a per acre basis. In order to maintain consistency with lighting maintenance



assessment districts previously established in the City of Palmdale, the assessment apportionment is as follows:

TABLE 8 – ASSESSMENT APPORTIONMENT

Property Type	Equivalent Dwelling Units (EDUs) Calculation			
	Acres	X	EDUs per Acre	= Total EDUs
Local Lighting	21.48		1.00	21.48
Local Traffic Signals	21.48		0.60	12.89
Peripheral Streetlights/Traffic Signals	21.48		2.42	51.98

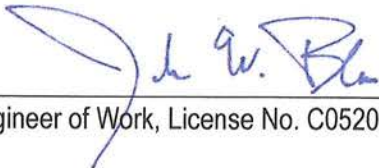
All improved properties or properties proposed for development are assigned an EDU factor based on the total parcel size. The proposed assessments are listed on the Assessment Rolls at the end of this report.



CERTIFICATES

FINAL RECORDING CERTIFICATIONS

1. The undersigned respectfully submits the enclosed Engineer's Report and does hereby certify that this Engineer's Report, and the Assessment and Assessment Diagram herein, have been prepared by me in accordance with the order of the City Council of the City of Palmdale.



Engineer of Work, License No. C052091

2. I, Rebecca J. Smith, as City Clerk, do hereby certify that the enclosed Engineer's Report, together with the Assessment and Assessment Diagram thereto attached, were filed and recorded with me on _____, 2016.

Rebecca J. Smith, City Clerk
City of Palmdale
State of California

3. I, Rebecca J. Smith, as City Clerk, do hereby certify that the Assessment in this Engineer's Report, together with the Assessment Diagram attached thereto, were approved and confirmed by the City Council of the City of Palmdale on June 1, 2016, by Resolution No. CC 2016-054.

Rebecca J. Smith, City Clerk
City of Palmdale
State of California

ASSESSMENT STATEMENT

WHEREAS, the undersigned Engineer of Work has prepared and filed a report presenting an estimate of costs, a diagram for the Assessment District and an assessment of the estimated costs of the Improvements upon all assessable parcels within the Assessment District;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Acts and the order of the City Council of the City of Palmdale, hereby make the following assessment to cover the portion of the estimated cost of said Improvements, and the costs and expenses incidental thereto to be paid by the Assessment District.

The amounts to be paid for said Improvements and the expense incidental thereto, to be paid by the Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, for the fiscal year 2016/2017, are generally as follows:

TABLE 9 – SUMMARY OF COST ESTIMATES – FISCAL YEAR 2016/2017

CITY OF PALMDALE				
Streetlight Maintenance Assessment District No. 4				
Annexation No. 2016-172				
Summary Cost Estimates FY 2016/2017				
Direct Costs				\$2,513.26
Other Costs				\$628.32
Total Costs / Budget to Assessment				\$3,141.58
Total Budget				\$3,141.58
	Street Lights	Traffic Lights	Peripheral Lights	
Total EDUs	21.48	12.89	51.98	
Rate per EDU	\$96.40	\$27.54	\$13.77	\$137.72

As required by the Acts, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said Streetlight Maintenance Assessment District No. 4, Annexation 2016-172. The distinctive number of each parcel or lot of land in said Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, is its Assessor Parcel Number appearing on the Assessment Roll.

And I do hereby assess and apportion said net amount of the cost and expenses of said Improvements and Services, including the costs and expenses incident thereto, upon the parcels and lots of land within said Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, in accordance with the special benefits to be received by each parcel

CITY OF PALMDALE

STREETLIGHT MAINTENANCE ASSESSMENT DISTRICT NO. 4, ANNEXATION 2016-172

ANTELOPE VALLEY – EAST KERN WATER AGENCY (AVEK), QUARTZ HILL FACILITY, 6500 WEST AVENUE N.

ENGINEER'S REPORT, FY 2016/2017

 SCI Consulting Group

or lot from the Improvements and Services, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessments are made upon the parcels or lots of land within the Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, in proportion to the special benefits to be received by the parcels or lots of land from said Improvements and Services.

The assessments are subject to an annual increase tied to the Southern California Edison and California Public Utilities Commission (CPUC) approved rates for each light fixture used in the City's Streetlight Maintenance District, or the Consumer Price Index All Urban Consumers for the Los Angeles-Orange-Riverside County Area (CPI). The Engineer shall compute the percentage difference between the CPUC or the CPI for February of each year and the CPUC or CPI for the previous February, and shall then increase the existing assessment by an amount not to exceed such percentage for the following fiscal year. If the CPI or CPUC increase is not applied to the assessment rate in a given year, the assessment rate may be raised in subsequent years by an amount corresponding to the unused, cumulative increase in CPI or CPUC.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Los Angeles for the fiscal year 2016/2017. For a more particular description of said property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of said County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2016/2017 for each parcel or lot of land within the said Streetlight Maintenance Assessment District No. 4, Annexation 2016-172.

Dated: April 7, 2016



Engineer of Work

By *John W. Bliss*
John W. Bliss, License No. C052091



APPENDIX A – ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the City of Palmdale Streetlight Maintenance Assessment District No. 4, Annexation 2016-172, and the amount of the assessment) has been filed with the Director of Public Works, and is, by reference, made part of this report and will be available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records, and these records are by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

TABLE 10 – ASSESSMENT ROLL FOR FISCAL YEAR 2016/2017

Streetlight Maintenance Assessment District No. 4, Annexation 2016-172 Antelope Valley - East Kern Water Agency (AVEK), Quartz Hill Facility FISCAL YEAR 2016/2017			
Owner's Name	Assessor Parcel Number	FY 2016/2017 Maximum Assessment	FY 2016/2017 Proposed Annual Assessment
AVEK Water Agency, Quartz Hill Facility	3204-022-901	\$327.61	\$215.94
AVEK Water Agency, Quartz Hill Facility	3204-022-903	\$895.09	\$589.98
AVEK Water Agency, Quartz Hill Facility	3204-022-908	\$1,104.23	\$727.84
AVEK Water Agency, Quartz Hill Facility	3204-022-909	\$814.65	\$536.96
FY 2016/2017 Total Assessment		\$3,141.58	\$2,070.71

City of Palmdale

Finance/Administrative Services
38300 N. Sierra Highway, Building D
Palmdale, CA 93550

**ASSESSMENT STATEMENT
FOR FISCAL YEAR 2021/22**
July 1, 2021 through June 30, 2022
Revised 2/1/22

Owner:

ANTELOPE VALLEY EAST KERN WATER AGENCY
6500 W AVENUE N
PALMDALE, CA 93551

Direct Bill Account Number: PP10009

**PROPERTY OWNER APPROVED ASSESSMENT
Park Maintenance and Recreation Improvement District**

Assessment Details:

<u>Parcel No.</u>	<u>FY 2021/22 Assessment</u>	<u>Delinquent Assessment</u>
3204-021-907	\$19.78	\$0.00
3204-021-908	\$19.78	\$0.00
3204-021-909	\$19.78	\$0.00
3204-021-910	\$19.78	\$0.00
3204-022-909	\$282.60	\$0.00
3204-022-920	\$282.60	\$0.00
3204-021-906	\$19.78	\$0.00

Total Due by and delinquent after 4/10/2022*: \$664.10

**If paid after April 10, 2022, a late penalty of \$66.41 (10%) must be added for payment to be accepted.
An additional interest penalty of \$9.96 per month (1.5% monthly) will begin to accrue if payment is not received by June 30, 2022.*

If you have questions about this invoice, please call the assessment administrator, NBS, at (800) 676-7516.

DETACH AND RETURN THIS STUB WITH YOUR PAYMENT

Direct Bill Account Number: PP10009
Owner: ANTELOPE VALLEY EAST KERN WATER AGENCY
District: Park Maintenance and Recreation Improvement District

APN: 3204-021-907
3204-021-908
3204-021-909
3204-021-910
3204-022-909
3204-022-920
3204-021-906

Make Check Payable to: City of Palmdale

Detach and mail with payment to:

City of Palmdale
Finance/Administrative Services
38300 N. Sierra Highway, Building D
Palmdale, CA 93550

Due by and delinquent after 4/10/2022*:

Amount Due: \$664.10

**If paid after April 10, 2022, a late penalty of \$66.41 (10%) must be added for payment to be accepted.
An additional interest penalty of \$9.96 per month (1.5% monthly) will begin to accrue if payment is not received by June 30, 2022.*

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* CALIFORNIA CONSTITUTION - CONS

ARTICLE XIII D [ASSESSMENT AND PROPERTY-RELATED FEE REFORM] [SECTION 1 - SEC. 6] (Article 13D added Nov. 5, 1996, by Prop. 218. Initiative measure.)

Procedures and Requirements for All Assessments. (a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.

(c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

(d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.

(e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

(f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the benefits conferred on the property or properties in question.

(g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law requires otherwise, the assessment shall not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e).

(Sec. 4 added Nov. 5, 1996, by Prop. 218. Initiative measure.)

CITY OF PALMDALE

Fiscal Year 2021/22 Engineer's Report For:

Park Maintenance and Recreation Improvement District

June 2021

Prepared by:



Corporate Headquarters
32805 Temecula Parkway, Suite 100
Temecula, CA 92592
Toll free: 800-576-7516

TABLE OF CONTENTS

- 1. Engineer’s Letter..... 1**
- 2. Introduction 2**
 - 2.1 Background..... 2
 - 2.2 Process for Annual Assessment 3
 - 2.3 Legislative Context 4
- 3. Plans and Specifications..... 6**
 - 3.1 Description of Improvements and Services 7
- 4. Estimate of Costs 9**
- 5. Method of Apportionment..... 11**
 - 5.1 Discussion of Benefit 11
 - 5.2 Benefit Factors 12
 - 5.3 Benefit Finding 13
 - 5.4 General Versus Special Benefit 13
 - 5.5 Calculating General Benefit..... 14
 - 5.6 Zones of Benefit 17
 - 5.7 Method of Assessment..... 18
 - 5.8 Cost of Living Inflation 23
 - 5.9 Fiscal Year 2021/22 Maximum Assessment..... 23
 - 5.10 Duration of Assessment 23
 - 5.11 Appeals and Public Hearing..... 23
- 6. Assessment Diagram..... 25**
- 7. Assessment Roll..... 27**

1. ENGINEER'S LETTER

WHEREAS, the City Council of the City of Palmdale (the "City"), State of California, under the Landscaping and Lighting Act of 1972 (the "Act"), directed NBS to prepare and file the Annual Engineer's Report for the Park Maintenance and Recreation Improvement District (the "District") for Fiscal Year 2021/22, in accordance with Article 4 of Chapter 1 of the Act and Article XIII D of the California Constitution. The Engineer's Report presents the plans and specifications describing the general nature, location and extent of the improvements to be maintained, an estimate of the costs of the administration, maintenance, operations and servicing of the improvements for Fiscal Year 2021/22, the diagram for the District, showing the area and properties to be assessed, and assessing the net amount upon the assessable lots and/or parcels within the District in proportion to the special benefit received.

NOW THEREFORE, the assessments as detailed in this Engineer's Report and as summarized in the table below are made to cover the portion of the estimated costs of maintenance, operation and servicing of said improvements to be paid by the assessable real property within the District in proportion to the special benefit received.

Zone of Benefit	Parcels ⁽¹⁾	SFE Units ⁽²⁾	FY 2021/22 Proposed Assessment Amount	FY 2021/22 Proposed Assessment Rate Per SFE	FY 2021/22 Maximum Assessment Rate Per SFE
Zone A	43,891	48,349.62	\$2,732,704.72	\$56.52	\$56.52
Zone B	1,906	135.04	3,815.86	28.26	28.26
Zone C	2,415	2,044.56	115,558.32	56.52	56.52
Totals:	48,212	50,529.22	\$2,852,078.90		

(1) Includes parcels levied and active parcels not subject to the assessment.

(2) Single Family Equivalent Unit. See "Method of Assessment" for explanation of SFE apportionment.

I, the undersigned, respectfully submit this Engineer's Report and, to the best of my knowledge, information and belief, the Engineer's Report, Assessments, and the Assessment Diagram herein have been prepared, computed and levied in accordance with the assessment methodology adopted, approved and ordered by the City Council of the City of Palmdale at the time of District formation.



John G. Egan
 John G. Egan, P. E.
 Assessment Engineer 6/2/21



2. INTRODUCTION

2.1 Background

In June and July of 2002, the City conducted a city-wide assessment ballot proceeding pursuant to the requirements of Article XIII D of the California Constitution ("The Taxpayer's Right to Vote on Taxes Act") and the Landscape and Lighting Act of 1972 for a proposed City of Palmdale Park Maintenance and Recreation Improvement Assessment District to fund improvements to parks and recreational facilities in the City. During this ballot proceeding, property owners in the City were provided with a notice and ballot for a proposed benefit assessment and a 45-day period was provided for balloting. A public hearing to conclude the balloting period was conducted on July 24, 2002.

After the ballots were tabulated, it was determined that 55.9% of the weighted ballots returned were in support of the assessment. Since the assessment ballots submitted in opposition to the proposed assessments did not exceed the assessment ballots submitted in favor of the assessments (with each ballot weighted by the proportional financial obligation of the property for which ballot was submitted), the City gained the authority to approve the levy of the assessments for Fiscal Year 2002/03 and to continue to levy them in future years. The authority granted by the ballot proceeding includes an annual increase in the maximum authorized assessment rate equal to the annual change in the Consumer Price Index (CPI) for the Los Angeles Area, not to exceed 3% per year. In the event the annual change in the CPI exceeds 3%, any percentage change in excess of 3% can be cumulatively reserved for years in which the CPI change is less than 3%. The initial assessment rate approved in 2002 was \$36.00 per single family equivalent benefit unit, plus an annual increase not to exceed 3% according to the CPI for the Los Angeles area.

Due to their greater distance from the public facilities and the new parks and recreation facilities to be installed, maintained, and serviced by the District, areas in the City farthest east and west were deemed to receive less benefit relative to other areas in the City (Zone A) and were assigned 50% of the assessment rate. These areas of reduced proximity were named Zone of Benefit B or Zone B.

As the City has grown and built additional parks, public and recreational facilities, the western area of the City, generally described as the City incorporated areas west of the California Aqueduct, is benefiting from additional parks and recreation areas that can be funded and maintained in part by the District. For Fiscal Year 2006/07 assessments, properties in this western area were classified as being within Zone of Benefit C or Zone C. Since the proximity to parks and recreation facilities in Zone C is generally equivalent to properties within Zone A, the assessments per single family equivalent unit for properties in Zone C were proposed to increase, matching that rate assessed to parcels in Zone A.

In order to allow property owners in Zone C to ultimately decide whether they were in support of the increased assessments in their Zone of Benefit, in 2006, an assessment ballot proceeding was conducted for property owners in Zone C. After the ballots were mailed to property owners in Zone C, a minimum 45-day time period was provided for the return of the assessment ballots. Following this 45-day time period, a public hearing was held on July 5, 2006 for the purpose of allowing public testimony regarding the proposed increased assessments.

At the public hearing the ballots were tabulated and it was determined that 86.18% of the returned ballots from Zone C (weighted by the proportional financial obligation of the property for which ballots are

submitted) were in favor of the proposed increased assessments to match the assessment rate of Zone A. Therefore, the City Council took action, by resolution number CC 2006-191, to approve the levy of the increased assessments in Zone C for Fiscal Year 2006/07.

2.2 Process for Annual Assessment

In each subsequent year for which the assessment will be continued, and as required by the procedures specified in the 1972 Act, an Engineer's Report must be prepared on an annual basis which contains a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the District.

The City Council must also annually adopt a resolution of intention which:

- Declares the intention of the City Council to levy and collect assessments within the assessment district for the fiscal year stated therein.
- Generally describes the existing and proposed improvements and any substantial changes proposed to be made in existing improvements.
- Refers to the assessment district by its distinctive designation and indicate the general location of the district.
- Refers to the report of the engineer, on file with the City Clerk, for a full and detailed description of the improvements, the boundaries of the assessment district and any zones therein, and the proposed assessments upon assessable lots and parcels of land within the district.
- Gives notice of the time and place for public hearing by the City Council on the levy of the proposed assessment.
- States whether the assessment is proposed to increase from the previous year.

If the assessments are to be levied in the same or lesser amounts than the maximum assessment allowed, the City Clerk shall give notice of the public hearing by causing the resolution of intention to be published. Any interested person may, prior to the conclusion of the public hearing, file a written protest which shall state all grounds of objection. The protest shall contain a description sufficient to identify the property owned by the property owner filing the protest. During the course or upon conclusion of the hearing, the City Council may order changes in any of the matters provided in the report, including changes in the improvements, any zones within the assessment district, and the proposed diagram or the proposed assessment. If the assessment to be levied exceeds the maximum assessment allowed, the City must comply with the procedures specified in Article XIII D and Proposition 218.

The City Council, upon conclusion of the public hearing must then adopt a resolution confirming the diagram and assessment, either as originally proposed or as changed by it. The adoption of the resolution shall constitute the levy of an assessment for the fiscal year referred to in the assessment. If confirmed, the assessments would be submitted to the County Auditor Controller for inclusion on the property tax roll.

2.3 Legislative Context

In 1996, California Voters adopted Proposition 218, the “Right to Vote on Taxes Act” which added Articles XIII C and XIII D to the California Constitution. Article XIII D imposes certain substantive and procedural requirements on any agency that wishes to levy special assessments.

Article XIII D imposes four basic substantive requirements on assessments¹:

- All parcels that will have a special benefit conferred upon them and upon which an assessment will be imposed must be identified;
- The general benefits must be distinguished from the special benefits conferred on the parcels;
- The proportionate special benefit derived by each parcel must be determined in relationship to the entirety of the capital improvement, the maintenance and operation expenses of the public improvement, or the cost of the property related service being provided; and
- The amount assessed to a parcel must not exceed the reasonable cost of the proportional special benefit conferred on that parcel and does not include any costs attributable to the general benefit.

Since the initial passage of Proposition 218, several court rulings have helped provide context and direction on the practical implementation procedures and requirements for levying assessments. Several of the key concepts from these rulings are summarized below.

GENERAL BENEFIT

Article XIII D requires an agency to separate the general benefits from the special benefits conferred because only special benefits are assessable.

The Court of Appeal in *Golden Hills Neighborhood Assn., Inc. v. City of San Diego* (2011) (*Golden Hills*)² clarified this concept by stating, “*Separation and quantification of general and special benefits must be accomplished by apportioning the cost of a service or improvement between the two and assessing property owners only for the portion of the cost representing special benefits.*”

The Court of Appeal in *Beutz v. County of Riverside* (2010) (*Beutz*)³ quoted from the Legislative Analyst’s Office pamphlet titled “Understanding Proposition 218” which states an agency must, “*estimate the amount of special benefit landowners would receive from the project or service, as well as the amount of ‘general benefit.’ This step is needed because Proposition 218 allows local government to recoup from assessments only the proportionate share of cost to provide the special benefit.*”

The Court in *Beutz* furthered this idea stating, “*Separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits.*”

The Court of Appeal in *Silicon Valley Taxpayers’ Association Incorporated v. Santa Clara County Open Space Authority* (2008) (*SVTA*)⁴ clarified that general benefits are not restricted to benefits conferred only on persons and property outside the assessment district but can include benefits both conferred on real

¹ California Constitution Article XIII D Section 4.

² *Golden Hill Neighborhood Assn. v. City of San Diego* CA4/1, D062203 (Cal. Ct. App. 2013)

³ *Beutz v. County of Riverside*, 109 Cal. Rptr. 3d 851 (Cal. Ct. App. 2010)

⁴ *Silicon Valley Taxpayers’ Association Incorporated v. Santa Clara County Open Space Authority*, 44 Cal. 4th 431 (2008).

property located in the district or to the public at large. The “public at large” includes all members of the public, including those who live, work, and shop within the district, and not simply transient visitors.

BENEFIT-BASED NOT COST-BASED

In *Bonander v. Town of Tiburon* (2009) (*Tiburon*)⁵, the Court of Appeal clarified the idea that assessments must be apportioned based upon benefit rather than cost. The Court stated, “*Proportionate special benefit is the basis upon which a project’s total assessable costs are apportioned among parcels within an assessment district.*”

The assessment on a particular property cannot be based on the relative cost of the improvements, but rather the special benefit conferred on such property. The Court in *Tiburon* also stated, “*an assessment represents the entirety of the cost of the improvement or property-related service, less any amount attributable to general benefits (which may not be assessed), allocated to individual properties in proportion to the relative special benefit conferred on the property.*”

PUBLIC PROPERTY

Section 4, Subdivision (a) of Article XIII D states, in part, “*Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.*” Historically there had been differing opinions about whether this requirement that publicly owned property should not be exempt actually meant those properties must be assessed.

The Court of Appeal in *Manteca Unified School District v. Reclamation District No. 17 et al* (2017) (*Manteca*)⁶ clarified this issue by stating, “*section 4, subdivision (a) of article XIII D of the California Constitution unambiguously conditions any continuing benefit assessment exemption on a showing by clear and convincing evidence of no special benefit.*”

IMPRECISION

The Court in *Tiburon* acknowledged the difficulty of trying to precisely assign and measure special benefit, stating, “*Any attempt to classify special benefits conferred on particular properties and to assign relative weights to those benefits will necessarily involve some degree of imprecision.*”

The Court in *Tiburon* went on to say that a formula assigning equal weight to different special benefits “*may be a legally justifiable approach to measuring and apportioning special benefits, [but] it is not necessarily the only valid approach. Whichever approach is taken to measuring and apportioning special benefits, however, it must be both defensible and consistently applied.*”

⁵ *Bonander v. Town of Tiburon*, 147 Cal. App. 4th 1116 (Cal. Ct. App. 2007)

⁶ *Manteca Unified School District v. Reclamation District No. 17 et al*, C077906 (Cal. Ct. App. 2017)

3. PLANS AND SPECIFICATIONS

The City maintains park and recreational facilities in locations throughout its boundaries, which contain over 48,000 parcels. The District provides funding for the installation, maintenance, and servicing of parks and recreation facilities within the City, including, but not limited to the City's current parks and recreation facilities:

- Poncitlán Square (4.00 Acres), 38315 9th St. East
- Tejon Park Barrel Springs Equestrian Arena (20.00 Acres), East of Sierra Highway / South of Barrel Springs Road
- Pelona Vista Park (73.00 Acres), 37800 Tierra Subida Avenue
- Manzanita Heights Park (5.00 Acres), 431 Mesa Verde Street
- Arnie Quinones Park (2.50 Acres), 41003 50th Street West
- Desert Sands Park (20.00 Acres), 39117 3rd Street East
- Joe Davies Heritage Airpark at Palmdale Plant 42 (20.00 Acres), 2001 East Avenue P
- William J. McAdam Park & Pool (20.00 Acres), 38115 30th Street East
- Domenic Massari Park (40.00 Acres), 37716 55th Street East
- Sam Yellen Park (24.93 acres), Phase 1 completed (12.00 acres), Avenue S between 47th East and 55th Street East
- Joshua Hills Park (3.64 Acres), 3110 Fairfield Avenue
- Palmdale Playhouse (2,700 square feet), 38334 10th Street East
- Melville J. Courson Park (7.50 Acres), 38226 10th Street East (under construction by developer)
- Legacy Commons (new Palmdale Senior Center opened 2010) (14,000 square feet), 930 East Avenue Q-9
- Palmdale Senior Center Park (1.00 acre) park site between 9th Street East & 10th Street East and Q-9 & Q-10
- Dry Town Waterpark (7.00 acres), at Palmdale Oasis Park, 3850-B East Avenue S
- Palmdale Oasis Recreation Center (17,500 square feet), 3850-A East Avenue S
- Palmdale Oasis Park (33.00 acres), southwest corner of Avenue S and 40th Street East, 3850-A E. Avenue S
- Competition Swimming Pool at Palmdale Oasis Park, 3850-C East Avenue S
- Marie Kerr Park (57.00 Acres), 39700 30th Street West & 2723 Rancho Vista Boulevard
- Palmdale Amphitheater at Marie Kerr Park, 2723 Rancho Vista Boulevard
- Best of the West Softball Complex, at Marie Kerr Park, 2723-F Rancho Vista Boulevard
- Competition Swimming Pool at Marie Kerr Park, 2723 Rancho Vista Boulevard
- Marie Kerr Recreation Center, 2723-A Rancho Vista Boulevard
- Lot adjacent to Amphitheatre/Marie Kerr Park (20.00 Acres), (not developed, currently used for overflow parking), 2723 Rancho Vista Boulevard
- Dr. Robert C. St. Clair Parkway (8.72 Acres), Sierra Highway
- Demonstration Garden (0.76 Acres), NEC of Palmdale Boulevard & Sierra Highway
- Foothill Park (12.33 Acres), 2525 The Groves
- Anaverde Hills Park (6.42 Acres), 2820 Greenbrier Street

- Larry Chimbole Cultural Center (19,300 square feet), 38350 Sierra Highway
- Hammack Activity Center/ Roller Hockey Rinks (29,000 square feet), 815 East Avenue Q-6 (Boys & Girls Club)
- Rancho Vista Neighborhood Park (5.00 Acres), Bolz Ranch / Town Center Road (not developed)
- Palmenthol History Park (16.30 Acres), Avenue S & 20th Street East (not developed)
- A.C. Warnack Nature Park (131.27 Acres), East of Godde Hill & South of the California Aqueduct (not developed)

3.1 Description of Improvements and Services

The assessments shall also provide funding for the installation, maintenance, and servicing of new parks and recreation facilities, including, but not limited to new neighborhood and community parks, family aquatics facility, covered swimming pools, additional recreation centers, public amphitheater, additional sports fields, improvements to park safety including enhanced lighting, replacement of antiquated playground equipment, additional park maintenance services, acquisition of lands for parks and recreation uses, and expansion of existing parks and recreation areas.

The work and improvements (the “improvements”) proposed to be undertaken by the District, and the cost thereof paid from the levy of the annual assessment, provide special benefit to assessor parcels within the District as defined in the Method of Assessment herein. In addition to the definitions provided by the Act the improvements are generally described as follows:

Installation, maintenance and servicing of public recreational facilities and improvements, including, but not limited to, turf and play areas, park grounds and facilities, playground equipment, hard court surfaces, amphitheaters, tennis courts, gymnasiums, senior centers, recreation centers, aquatic parks, running tracks, walking paths, sports fields, basketball courts, swimming pools, landscape corridors, open space, trails, other recreational facilities, ground cover, shrubs and trees, irrigation and sprinkler systems, landscaping, drainage systems, lighting, fencing, entry monuments, graffiti removal and repainting, and labor, materials, supplies, utilities, equipment, and any debt service on bonds or other indebtedness issued for the improvements as applicable, at each of the locations owned, operated or maintained by the City. Plans and specifications for these improvements are filed with the Director of Parks and Recreation of the City and are incorporated herein by reference.

As applied herein, “Installation” means the construction of recreational improvements, including, but not limited to, land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage, lights, and/or the construction of playground equipment, play courts, recreational facilities and public restrooms.

“Maintenance” means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of said improvements, including repair, removal, or replacement of all or any part of any improvement; providing for the life, growth, health and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; and cleaning, sandblasting and painting of walls and other improvements to remove or cover graffiti.

“Servicing” means the furnishing of electric current or energy for the operation or lighting of any improvements, and the furnishing of water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment (Streets & Highways Code Section 22526). The assessment proceeds will be exclusively used for improvements within the District plus incidental expenses. Reference is made to the plans and specifications, including specific expenditure and improvement plans by park/recreation site, which are on file with the City.



4. ESTIMATE OF COSTS

The estimate of costs provided in this Engineer’s Report is for Fiscal Year 2021/22 and is derived from a multi-year, City-wide parks and recreation improvement plan that includes significant new recreation facilities such as neighborhood and community parks, a family aquatics center, two covered year-round swimming pools, two recreation centers, a public amphitheater, a multi-field softball complex, improvements to park safety including enhanced lighting, additional walkways and trails, replacement of antiquated playground equipment, and enhanced park maintenance services.

The estimated costs of maintenance and servicing the improvements as described in the Plans and Specifications are summarized below.

Park Maintenance and Recreation Improvement District Budget	
Description	Proposed FY 2021/22 Costs
Beginning Fund Balance	\$3,126,799
Installation, Maintenance & Servicing Costs ⁽¹⁾	
Maintenance & Operation of Vision Facilities	\$2,492,660
Maintenance of Parks & Recreation Facilities ⁽²⁾	3,950,000
Totals for Installation, Maintenance & Servicing	\$6,442,660
Less: City Contribution ⁽³⁾	(\$2,577,064)
Net Cost of Installation, Maintenance & Operation	\$3,865,596
Incidental Costs	
Collection and Administration	\$61,560
Totals for Incidentals	\$61,560
Less: Fund Balance Contribution	(\$1,075,077)
Fiscal Year 2021/22 Net Amount to be Assessed	\$2,852,079
Estimated Ending Fund Balance	\$2,051,722

Budget Allocation to Property ⁽⁴⁾				
Zone of Benefit	Parcels ⁽⁵⁾	SFE Units ⁽⁶⁾	FY 2021/22 Maximum Assessment Rate Per SFE	FY 2021/22 Amount to be Assessed
Zone A	43,891	48,349.62	\$56.52	\$2,732,704.72
Zone B	1,906	135.04	28.26	3,815.86
Zone C	2,415	2,044.56	56.52	115,558.32
Totals:	48,212	50,529.22		\$2,852,078.90



Notes to Estimate of Costs:

- (1) Additional details regarding budgeted improvements and future projects are as follows:
 - Rancho Vista Park – park site with open space, restrooms, playground, and parking lot.
 - Vacant lot next to Amphitheater – design for park and ride.
 - Arnie Quinones Park – design of future additional features including restroom, paved parking lot, lighting, tot lot, and pathways.
 - Marie Kerr Park Upgrades – tot lot upgrades.
 - Dry Town Water Park Upgrades – refurbishment of three existing slides, tower, and Little Miner's camp.
 - Dry Town Lazy River Replastering – replastering of lazy river, construction was expected to begin April 2020.
 - Palmdale Oasis Park Upgrades – design and possible construction of play area, playground equipment, restroom facility, landscaping and irrigation of fields, additional parking.
 - Domenic Massari Upgrades – sidewalk improvements throughout the park construction was expected to begin summer 2020, three new basketball courts with covers and upgrades to existing basketball court.
 - Sam Yellen Park – design of Phase 2 upgrades.
 - McAdam Park Renovations – upgrades to existing restroom facility.
 - Sports Field Renovation – field upgrades and renovations as needed at various park sites.
- (2) The item, "Maintenance of Park and Recreation Facilities," would provide funding for enhanced maintenance of all parks and recreation facilities on a daily basis, seven days per week. Services would include mowing turf, trimming and caring for landscaping, fertilization and aeration of grounds and playfields, routine maintenance and safety inspections, painting, replacing/repairing broken or damaged equipment, trash removal and cleanup, irrigation and irrigation system maintenance, and other services as needed.
- (3) As determined in the following section, at least 40% of the \$6,442,660 total cost of Park Improvements, Installation, Maintenance and Servicing, must be funded from sources other than the assessments, to cover any general benefits from the improvements. Therefore, \$2,577,064 or 40% of the total for Installation, Maintenance and Servicing is for general benefits that cannot be assessed to property owners in the District. The additional amount contributed is the City's contribution in excess of the estimated general benefits.
- (4) The Act stipulates that proceeds from the assessments must be deposited into a special fund that has been set up for the revenues and expenditures of the District. Moreover, funds raised by the assessment shall be used only for the purposes stated within this Engineer's Report. Any balance remaining at the end of the fiscal year, July 1, must be carried over to the next fiscal year. The City may also establish a reserve fund for contingencies and special projects as well as a capital improvement fund for accumulating funds for larger capital improvement projects or capital renovation needs. Any remaining unexpended balance would either be placed in the reserve fund, the capital improvement fund, or would be used to reduce future years' Assessments.
- (5) Includes parcels levied and active parcels not subject to the assessment.
- (6) Single Family Equivalent Unit. See "Method of Assessment" for explanation of SFE apportionment.

5. METHOD OF APPORTIONMENT

The following section includes an explanation of the benefits derived from the improvements to park and recreation facilities and improvements throughout the City, as well as a description of the assessment methodology used to apportion the total assessment to properties within the District. *Previous annual Engineer's Reports were prepared by a different engineer of record and specific language from the prior year Engineer's Report⁷ has been referenced to describe the Method of Apportionment within the following section of this report.*⁸

The District consists of all assessor parcels within the boundaries of the City. The method used for apportioning the assessment is based upon the proportional special benefits conferred to the properties over and above the general benefits conferred to real property in the District or to the public at large. Special benefit is calculated for each parcel in the District using the following process:

1. Identification of all benefit factors derived from the improvements;
2. Calculation of the proportion of these benefits that are general;
3. Determination of the relative special benefit within different areas within the District;
4. Determination of the relative special benefit per property type; and
5. Calculation of the specific assessment for each individual parcel based upon special vs. general benefit; location, property type, property characteristics, improvements on property and other supporting attributes.

5.1 Discussion of Benefit

In summary, the assessments can only be levied based on the special benefit to property. Any and all general benefit, including benefit that is indirect or derivative, must be funded from another source. This special benefit is received by property over and above any general benefits from the improvements. With reference to the requirements for assessments, Section 22573 of the Act states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, as codified in Article XIII D of the California Constitution, has confirmed that assessments must be based on the special benefit to property and that the value of the special benefits must reasonably exceed the cost of the assessment:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

⁷ Annual Engineer's Report, City of Palmdale, Park Maintenance and Recreation Improvement District, Fiscal Year 2020/21 dated April 2020 and approved by City Council on June 2, 2020 ("Prior Engineer's Report").

⁸ Method of Apportionment and subsections as detailed in the Annual Engineer's Report, City of Palmdale, Park Maintenance and Recreation Improvement District, Fiscal Year 2020/21 dated April 2020 and approved by City Council on June 2, 2020.

Since assessments are levied on the basis of special benefit, they are not a tax and are not governed by Article XIII A of the California Constitution.

The SVTA decision also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel, and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The SVTA decision also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Finally, Proposition 218 twice uses the phrase "over and above" general benefits in describing special benefit (Art. XIID, sections 2(i) & 4(f)). The SVTA decision further clarifies that special benefits must provide a direct advantage to benefiting property and that proximity to a park is an example of a special benefit.

5.2 Benefit Factors

The improvements are expected to confer certain special benefits to parcels within the District. Pursuant to the Prior Engineer's Report, the special benefit conferred to parcels is more fully described below:

EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS

In large part, because it is cost prohibitive to provide large open land areas on property in the District, the residential, commercial and other benefiting properties in the District do not have large outdoor areas and green spaces. The parks in the District provide these larger outdoor areas that serve as an effective extension of the land area for proximate properties because the improvements are uniquely proximate and accessible to property in close proximity to the improvements. The improvements, therefore, provide an important, valuable and desirable extension of usable land area for the direct advantage and special benefit of properties with good and close proximity to the improvements.

According to the industry-standard guidelines established by the National Park and Recreation Association (the "NPRA"), neighborhood parks in urban areas have a service area radius of generally one-half mile and community parks have a service area radius of approximately two miles. The service radii for neighborhood parks and neighborhood green spaces were specifically established to give all properties within these service radii close proximity and easy walking access to such public land areas. Likewise, community parks, with their large size, have a somewhat larger service area. Since proximate and accessible parks serve as an extension of the usable land area for property in the service radii and since the service radii was specifically designed to provide close proximity and access, the parcels within this service area clearly receive a direct advantage and special benefit from the improvements - and this advantage is not received by other properties or the public at large.

An analysis of the service radii for the improvements finds that all properties in the District enjoy the distinct and direct advantage of being close and proximate to parks within the District. The benefiting properties in the District therefore uniquely and specially benefit from the improvements.

PROXIMITY TO IMPROVED PARKS AND RECREATIONAL FACILITIES

Only the specific properties within close proximity to the improvements are included in the District. Therefore, property in the District enjoys unique and valuable proximity and access to the improvements that the public at large and property outside the District do not share.

In absence of the assessments, the improvements would not be provided and the parks and recreation areas in the District would be degraded due to insufficient funding for maintenance, upkeep and repair. Therefore, the assessments provide improvements that are over and above what otherwise would be provided. Improvements that are over and above what otherwise would be provided do not by themselves translate into special benefits but when combined with the unique proximity and access enjoyed by parcels in the District, they provide a direct advantage and special benefit to property in the District.

ACCESS TO IMPROVED PARKS, OPEN SPACE AND RECREATIONAL AREAS

Since the parcels in the District are nearly the only parcels that enjoy close access to the improvements, they directly benefit from the unique close access to improved parks, open space and recreation areas that are provided by the assessments. This is a direct advantage and special benefit to property in the District.

IMPROVED VIEWS

The District, by maintaining the landscaping at its park, recreation and open space facilities provides improved views to properties with direct line-of-sight as well as other local properties which benefit from improved views when property is accessed. Therefore, the improved and protected views provided by the assessments are another direct and tangible advantage that is uniquely conferred upon property in the District.

5.3 Benefit Finding

In summary, real property located within the boundaries of the District distinctly and directly benefits from closer proximity, access and views of improved parks, recreation facilities, open space, landscaped corridors, greenbelts, trail systems and other public resources funded by the assessments. The improvements are specifically designed to serve local properties in the District, not other properties or the public at large. The public at large and other properties outside the District receive only limited benefits from the improvements because they do not have proximity, good access or views of the improvements. These are special benefits to property in the District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

5.4 General Versus Special Benefit

Article XIII C of the California Constitution requires any local agency proposing to increase or impose a benefit assessment to “separate the general benefits from the special benefits conferred on a parcel.” The rationale for separating special and general benefits is to ensure that property owners subject to the benefit assessment are not paying for general benefits. The assessment can fund special benefits but

cannot fund general benefits. Accordingly, a separate estimate of the special and general benefit is given in this section. In other words:

Total Benefit	=	General Benefit	+	Special Benefit
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There is no widely-accepted or statutory formula for general benefit. General benefits are benefits from improvements or services that are not special in nature, are not “particular and distinct” and are not “over and above” benefits received by other properties. SVTA provides some clarification by indicating that general benefits provide “an indirect, derivative advantage” and are not necessarily proximate to the improvements.

The starting point for evaluating general and special benefits is the current, baseline level of service. The assessment will fund Improvements “over and above” this general, baseline level and the general benefits estimated in this section are over and above the baseline. A formula to estimate the general benefit is listed below:

General Benefit	=	Benefit to Real Property Outside the District	+	Benefit to Real Property Inside the District that is Indirect and Derivative	+	Benefit to the Public at Large
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Special benefit, on the other hand, is defined in the California Constitution as “a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.” The SVTA decision indicates that a special benefit is conferred to a property if it “receives a direct advantage from the improvement (e.g., proximity to a park).” In this assessment, as noted, properties in the District have close and unique proximity, views and access to the improvements and uniquely improved desirability from the improvements and other properties and the public at large do not receive significant benefits because they do not have proximity, access or views of the improvements. Therefore, the overwhelming proportion of the benefits conferred to property is special and is only minimally received by property outside the District or the public at large.

5.5 Calculating General Benefit

Pursuant to information detailed in the Prior Engineer’s Report, the general benefit is conservatively estimated and described, and then budgeted so that it is funded by sources other than the assessment.

BENEFIT TO PROPERTY OUTSIDE THE IMPROVEMENT DISTRICT

Properties within the District receive almost all of the benefits from the improvements because properties in the District enjoy unique close proximity and access to the improvements that is not enjoyed by other properties or the public at large. However, certain properties within the proximity/access radius of the improvements, but outside of the boundaries of the District, may receive some benefit from the improvements. Since this benefit is conferred to properties outside the District boundaries, it contributes to the overall general benefit calculation and will not be funded by the assessments.

The properties outside the District and within the proximity radii for neighborhood parks in the District receive benefits from the improvements. Since these properties are not assessed for their benefits because they are outside of the area that can be assessed by the District, this is a form of general benefit to the public at large and other property. A 50% reduction factor is applied to these properties because they are all on only one side of the improvements while properties in the District enjoy the advantage of over twice the average proximity to the improvements. Per the Prior Engineer’s Report, the general benefit to property outside of the District is calculated as follows:

Assumptions:	
5,190	parcels outside the District but within 0.5 miles of a park within the District
47,684	parcels in the District
50%	relative benefit compared to property within the District
Calculation of General Benefit to Property Outside the District	
= 5,190 / (47,684 + 5,190) * 50% = 4.9%	

Although it can reasonably be argued that the improvements inside, but near the District boundaries are offset by similar park and recreational improvements provided outside, but near the District boundaries, we use the more conservative approach of finding that 4.9% of the improvements may be of general benefit to property outside the District.

BENEFIT TO PROPERTY INSIDE THE DISTRICT THAT IS INDIRECT AND DERIVATIVE

The “indirect and derivative” benefit to property within the District is particularly difficult to calculate. A solid argument can be presented that all benefit within the District is special, because the improvements are clearly “over and above” and “particular and distinct” when compared with the baseline level of service and the unique proximity, access and views of the Improvements enjoyed by benefiting properties in the District. Nevertheless, the SVTA decision indicates that there may be general benefit “conferred on real property located in the district”. A measure of the general benefits to property within the assessment area is the percentage of land area within the District that is publicly owned and used for regional purposes such as major roads, rail lines and other regional facilities because such properties used for regional purposes could provide indirect benefits to the public at large. Approximately 3% of the land area in the District is used for such regional purposes, so this is a measure of the general benefits to property within the District.

BENEFIT TO THE PUBLIC AT LARGE

The general benefit to the public at large can be estimated by the proportionate amount of time that the District’s parks and recreational facilities are used and enjoyed by individuals who do not contribute to the assessment in any way (i.e. do not pay the assessment or local taxes or fees that support the City.⁹ A

⁹ Per the formation engineer, when District facilities are used by those individuals, the facilities are not providing benefit to property within the City. Use under these circumstances is a measure of general benefit. For example, a non-resident who is drawn to utilize the City facilities and shops at local businesses while in the area would provide special benefit to business properties as a result of his or her use of the Improvements. Conversely, one who uses City facilities but does not reside, work, shop or own property within the City boundaries does not provide special benefits to any property and is considered to be a measure of the general benefits.



survey of park and recreation facility usage conducted by the formation engineer found that less than 8% of the City’s park and recreation facility usage is by those who do not live or work within City boundaries. ¹⁰

Several of the improvements such as the family aquatics center, amphitheater and sports complex are the type of public resources that draw residents from throughout the community. Therefore, they are deemed to be of benefit to all properties within the City. Due to their “draw” these types of facilities may also serve to bring in somewhat higher numbers of people who do not contribute to the assessment in any way. Of the proposed facilities, the Family Aquatics Center warrants further analysis to estimate potential resident/non-resident use. Resident/non-resident use statistics vary depending on the specifics of the community such as proximity to other communities and location of other similar aquatics centers. The City is largely separated by distance from other urbanized areas, which should serve to reduce the percentage of non-resident use. Data from other communities deemed to be similar in amenities and location finds that the percentage of non-resident use can vary from 15% up to approximately 50%. A non-resident use percentage of 50% will be used as a conservative estimate for this facility.

Although many of the non-resident users of the City’s aquatics facility will shop or work in the community, this unadjusted data will be used as a conservative measure of general benefits. This measure of the general benefits from family aquatics facilities is combined with the findings of the park and recreation facility usage survey to conservatively estimate the overall level of general benefits. Using an equal weighting of both measures of general benefits, 29% of the benefits conferred by the proposed maintenance and improvements are determined to be general benefits to the public at large.

TOTAL GENERAL BENEFITS

Using a sum of these three measures of general benefit, the Prior Engineer’s Report found that approximately 37% of the benefits conferred by the improvements may be general in nature and should be funded by sources other than the assessment.

General Benefit Calculation:	
4.9%	Outside the District
+ 3.0%	Property within the District
<u>+ 29.0%</u>	<u>Public at Large</u>
= 36.9%	Total General Benefit

Although the analysis finds that 36.9% of the assessment may provide general benefits, the Prior Engineer’s Report established a requirement for a minimum contribution from sources other than the assessments of 40%. This minimum contribution above the measure of general benefits will serve to provide additional coverage for any other general benefits. The City’s total budget for maintenance and operation of its parks and recreational facilities is \$6,442,660. Of this total budget amount, the City will contribute at least 2,557,064 (or 40%) from sources other than the assessments, to cover any general benefits that cannot be assessed to property owners in the District.

¹⁰ A total of 534 park users were surveyed at different parks and recreation facilities on different days and times between the months of July 2001 and March 2002. 41 respondents (7.7%) indicated that they did not reside or work within the City.



5.6 Zones of Benefit

As detailed in the Prior Engineer's report, the boundaries of the District have been carefully drawn to include the properties in the City that are proximate to the proposed improvements and that would materially benefit from the improvements. In other words, the boundaries of the District have been narrowly drawn to include only properties that will specially benefit from the proposed improvements and would receive a declining level of service if the assessments were not approved.

The SVTA decision indicates:

In a well-drawn district — limited to only parcels receiving special benefits from the improvement — every parcel within that district receives a shared special benefit. Under section 2, subdivision (i), these benefits can be construed as being general benefits since they are not “particular and distinct” and are not “over and above” the benefits received by other properties “located in the district.”

We do not believe that the voters intended to invalidate an assessment district that is narrowly drawn to include only properties directly benefiting from an improvement. Indeed, the ballot materials reflect otherwise. Thus, if an assessment district is narrowly drawn, the fact that a benefit is conferred throughout the district does not make it general rather than special. In that circumstance, the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g., proximity to park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g., general enhancement of the district's property values).

In the District, the advantage that each parcel receives from the improvements is direct, and the boundaries are narrowly drawn to include only parcels that benefit from the assessment.

Due to their greater distance and reduced proximity from the improvements, one area of the City is deemed to receive lesser benefit from the improvements than other urbanized areas of the City. The area of reduced relative benefit is generally described as all parcels east of 90th Street East on the south and east of US Air Force Plant 42, and all parcels east of 50th Street East on the north and east of US Air Force Plant 42. This area is hereinafter referred to as Zone of Benefit B or Zone B and is depicted on the Assessment Diagram included with this report.

In Fiscal Year 2006/07 a new zone of benefit, Zone of Benefit C or Zone C, was created for parcels previously designated as being also within Zone B and located in the western areas of the District. Zone C covers all contiguous parcels within the boundaries of the City, generally west and south of the California Aqueduct, including all the parcels in Assessor's Parcel Books 3205, 3206, 3216 and 3217, within the boundaries of the City. The special benefit received by parcels in Zone C was revised as public parks and recreation facilities are installed, maintained and serviced by the District closer to property in Zone C, making the special benefit to be received in this area similar to that of areas in Zone A. As a result of the additional special benefits, an increased rate of assessment was proposed for parcels in Zone C, and after receiving the support of the property owners in Zone C, the increased assessment rate was first applied for Fiscal Year 2006/07.

All other properties within the District are classified into Zone of Benefit A or Zone A. All three Zones of Benefit, Zones A, B and C, are depicted on the Assessment Diagram included with this report and are listed on the Assessment Roll.

Zone A and Zone C improvements are similarly accessible to all properties within each Zone of Benefit. Therefore, benefits from the improvements do not further vary based on proximity of the parcels to the improvements within Zone A and Zone C because the increased benefits of greater proximity to the improvements are generally offset by a parallel increase in negative factors such as higher levels of traffic, noise, etc. that comes with increased proximity.

Since properties in Zone B (east) are generally twice the distance from the improvements funded by the assessments, it is estimated that the relative level of benefit to properties in Zone B is 50% the benefit received by properties in Zone A and Zone C. The proposed assessments for properties in Zone B will therefore be 50% of the amount of assessment for similar properties in Zone A and Zone C. The relative proximity to improvements is generally equivalent in Zone A and Zone C so the assessment rates for Zones A and C are equal.

5.7 Method of Assessment

As previously discussed, the assessments provide specific improvements that confer direct and tangible special benefits to properties in the District. These benefits can partially be measured by the occupants on property in the District because such parcel population density is a measure of the relative benefit a parcel receives from the improvements. Therefore, the apportionment of benefit is partially based the population density of parcels.¹¹

It should be noted that many other types of “traditional” assessments also use parcel population densities to apportion the assessments. For example, the assessments for sewer systems, roads and water systems are typically allocated based on the population density of the parcels assessed. Moreover, assessments have a long history of use in California and are in large part based on the principle that benefits from a service or improvement funded by assessments that is enjoyed by tenants and other non-property owners ultimately is conferred directly to the underlying property.¹²

The next step in apportioning assessments is to determine the relative special benefit for each property. This process involves determining the relative benefit received by each property in relation to a single family home, or, in other words, on the basis of Single Family Equivalents (SFE). This SFE methodology is commonly used to distribute assessments in proportion to estimated special benefit and is generally recognized as providing the basis for a fair and appropriate distribution of assessments. For the purposes of this report, all properties are designated a SFE value, which is each property’s relative benefit in relation

¹¹ As detailed in the Annual Engineer’s Report, City of Palmdale, Park Maintenance and Recreation Improvement District, Fiscal Year 2020/21 dated April 2020 and approved by City Council on June 2, 2020.

¹² For example, in *Federal Construction Co. v. Ensign* (1922) 59 Cal.App. 200 at 211, the appellate court determined that a sewer system specially benefited property even though the direct benefit was to the people who used the sewers: “Practically every inhabitant of a city either is the owner of the land on which he resides or on which he pursues his vocation, or he is the tenant of the owner, or is the agent or servant of such owner or of such tenant. And since it is the inhabitants who make by far the greater use of a city’s sewer system, it is to them, as lot owners or as tenants, or as the servants or agents of such lot owners or tenants, that the advantages of actual use will redound. But this advantage of use means that, in the final analysis, it is the lot owners themselves who will be especially benefited in a financial sense.”

to a single family home on one parcel. In this case, the "benchmark" property is the single family detached dwelling which is one Single Family Equivalent or one SFE.

In the process of determining the appropriate method of assessment, alternatives were considered. For example, an assessment only for all residential improved property was considered but was determined to be inappropriate because commercial, industrial, and other properties also receive direct benefits from the improvements.

Moreover, a fixed or flat assessment for all properties of similar type was deemed to be inappropriate because larger properties receive a higher degree of benefit than other similarly used properties that are significantly smaller. For two properties used for commercial purposes, there is clearly a higher benefit provided to the larger property in comparison to a smaller commercial property because the larger property generally supports a larger building and has higher numbers of employees, customers and guests that would benefit from proximity and improved access to well maintained and improved parks and recreational facilities. So, the potential population of employees or residents is a measure of the special benefits received by the property. Larger parcels, therefore, receive an increased benefit from the improvements.

Finally, the special benefits derived from the improvements are conferred on property and are not based on a specific property owner's use of the improvements, or a specific property owner's occupancy of property or the property owner's demographic status such as age or number of dependents. However, it is ultimately people who value the special benefits described above and use and enjoy the City's park and recreational facilities. In other words, the benefits derived to property are related to the average number of people who could potentially live on, work at, or otherwise could use a property, not how the property is currently used by the present owner. Therefore, the number of people who could or potentially live on, work at or otherwise use a property is one indicator of the relative level of benefit received by a property.

In conclusion, the information from the Prior Engineer's Report determined that the appropriate method of assessment apportionment should be based on the type and use of property, the relative size of the property, its relative population and usage potential and its proximity to parks and recreational facilities. This method is further described below.

RESIDENTIAL PROPERTIES

Certain residential properties in the District that contain a single residential dwelling unit are assigned one Single Family Equivalent or 1.0 SFE. Traditional houses, zero-lot line houses and townhomes are included in this category of single family residential property.

Properties with more than one residential unit are designated as multi-family residential properties. These properties benefit from the improvements in proportion to the number of dwelling units that occupy each property, the average number of people who reside in multi-family residential units versus the average number of people who reside in a single family home and the average size of multi-family residential units versus the average size of single family homes. The population density factors for the City, as depicted below, provide a partial basis for determining the SFE factors for residential properties. Using the total population in a certain property type in the City from the 1990 Census (the most recent data available when the District was established) and dividing it by the total number of such households, finds that approximately 3.32 persons occupy each single family residence, whereas an average of 2.69 persons

occupy each multi-family residence. Using the ratio of one Population Factor for each single-family residence, which equates to one Population Factor for every 3.32 persons, a 0.81 Population Factor would equate to one multi-family unit or a 0.81 Population Factor for every 2.69 residents. Likewise, each condominium unit receives a 0.81 Population Factor and each mobile home receives a 0.86 Population Factor.

Residential Density and Population Factors

	Total Population	Occupied Households	Persons per Household	Population Factor
Single Family Residential	49,488	14,905	3.32	1.00
Condominium	1,194	442	2.70	0.81
Multi-Family Residential	12,560	4,667	2.69	0.81
Mobile Home on Separate Lot	5,292	1,854	2.85	0.86

Source: 1990 Census, City of Palmdale.

Once established, Population Factors are adjusted to reflect the average structure size of different residential properties. This adjustment is needed because the special benefits are deemed to be relative to the potential population density and building area per dwelling unit. The average structure size of a single family residence in the City is 1,715 square feet, whereas the average multi-family residence is 920 square feet per unit, or 54% of the size of a single family residence. Likewise, the average condominium unit is 73% of the size of a single family residence and the average mobile home is 50% of the size of a single family residence. These building area percentages are applied to the Population Factors to determine the SFE benefit factors for residential properties. Therefore, multi-family properties with a 0.81 Population Factor and a 54% building area percentage will receive a 0.43 SFE.¹³ Likewise, condominium units receive a 0.59 SFE and mobile homes on separate parcels receive a 0.43 SFE.

Residential Assessment Benefit Factors

	Average Square Feet	% of SFR	Population Factor	SFE Factor
Single Family Residential	1,715	100%	1.00	1.00
Condominium	1,250	73%	0.81	0.59
Multi-Family Residential	920	54%	0.81	0.43
Mobile Home on Separate Lot	855	50%	0.86	0.43

The SFE factor of 0.43 per dwelling unit for multi-family residential properties applies to such properties with 20 or fewer units. Properties in excess of 20 units typically offer on-site recreational amenities and other facilities that tend to offset some of the benefits provided by the improvements. Therefore, the benefit for properties in excess of 20 units is determined to be 0.43 SFE per unit for the first 20 units and 0.10 SFE per each additional unit in excess of 20 dwelling units.

¹³ (0.81 * 54% = 0.43)



COMMERCIAL/INDUSTRIAL PROPERTIES

SFE values for commercial and industrial land uses are based on the equivalence of special benefit on a land area basis between single family residential property and the average commercial/industrial property. The SFE values for various commercial and industrial land uses are further defined by using average employee densities because the special benefit factors described previously can be measured by the average number of people who work at commercial/industrial properties. In order to determine employee density factors, the findings from the San Diego Association of Governments Traffic Generators Study (the "SANDAG Study") are used because these findings were approved by the State Legislature as being a good representation of the average number of employees per acre of land area for commercial and industrial properties. As determined by the SANDAG Study, the average number of employees per acre for commercial and industrial property is 24.

In comparison, the average number of people residing in a single family home in the area is 3.32. Since the average lot size for a single family home in the City is approximately 0.20 acres, the average number of residents per acre of residential property is 16.60.

The employee density per acre is generally 1.45 times the population density of single family residential property per acre (24 employees per acre / 16.60 residents per acre). Therefore, the average employee density can be used as the basis for allocating benefit to commercial or industrial property since a commercial/industrial property with 1.45 employees receives generally similar special benefit to a residential property with 1 resident. This factor of equivalence of benefit between 1 resident to 1.45 employees is the basis for allocating commercial/industrial benefit.

The table below shows the average employees per acre of land area or portion thereof for commercial and industrial properties and lists the relative SFE factors per fifth of an acre for properties in each land use category.

Commercial and industrial properties in excess of 5 acres generally involve uses that are more land intensive relative to building areas and number of employees (lower coverage ratios). As a result, the benefit factors for commercial and industrial property land area in excess of 5 acres is determined to be the SFE rate per fifth of an acre for the first 5 acres and the relevant SFE rate per each additional acre over 5 acres. Institutional properties that are used for residential, commercial or industrial purposes are also assessed at the appropriate residential, commercial or industrial rate.

Commercial/Industrial Density and Assessment Factors

Type of Commercial/Industrial Land Use	Average Employees per Acre ¹	SFE Units per 1/5 Acre ²
Commercial	24	1.00
Office	68	2.84
Shopping Center	24	1.00
Industrial	24	1.00
Self Storage or Parking Lot	1	0.05

- (1) Source: San Diego Association of Governments Traffic Generators Study.
- (2) The SFE factors for commercial and industrial parcels are applied by the fifth of an acre of land area or portion thereof. Therefore, the minimum assessment for any assessable parcel in these categories is the SFR units listed herein.



VACANT PROPERTIES

The benefit to vacant properties is determined to be proportional to the corresponding benefits for similar type developed properties; however, at a lower rate due to the lack of improvements on the property. A measure of the benefits accruing to the underlying land is the average value of land in relation to improvements for developed property. An analysis of the Fiscal Year 2002/03 assessed valuation data for the City from the County of Los Angeles, found that approximately 35% of the assessed value of improved properties is classified as the land value. It is reasonable to assume, therefore, that approximately 35% of the benefits are related to the underlying land and 65% are related to the improvements and the day-to-day use of the property. Using this ratio, the SFE factor for vacant parcels is 0.35 per parcel.

The value of properties increases as properties are approved for parcel division and development. Likewise, the special benefits received by vacant property increases as the property is approved for parcel division and development. When property is approved for parcel division and development with a final map, the property has passed the final significant hurdle to development and can shortly undergo construction. Since the property is nearing the point of development, its special benefits increase. In addition, these properties are generally sold soon after completion of improvements, so the properties receive the additional benefit of desirability from prospective buyers due to the special benefits provided by proximity to the improvements in the City. It is therefore determined that property with tentative or final map approval receives 25% of the relative benefit per mapped dwelling unit or mapped parcel acreage compared to improved property of similar use-type.

OTHER PROPERTIES

Article XIII D stipulates that publicly owned properties must be assessed unless there is clear and convincing evidence that those properties receive no special benefit from the improvements.

All properties that are specially benefited are assessed. Other publicly owned property that is used for purposes similar to private residential, commercial, industrial or institutional uses is benefited and assessed at the same rate as such privately owned property.

Miscellaneous, small and other parcels such as roads, right-of-way parcels, reservoir or other water rights parcels that cannot be developed into other improved uses, limited access open space parcels, watershed parcels and common areas typically do not generate significant numbers of employees, residents, customers or guests and have limited economic value. These miscellaneous parcels receive minimal benefit from the improvements and are assessed an SFE benefit factor of 0.

As detailed by the formation engineer, church parcels and property used for educational purposes typically generate employees on a less consistent basis than other non-residential parcels. Many of these parcels also provide some degree of on-site amenities that serve to offset some of the benefits from the District. In addition, the City maintains reciprocal use arrangements with many educational properties that allow for the public, recreational use of these properties. Such public use tends to reduce the use and wear of City facilities. Therefore, these parcels receive minimal benefit and are assessed an SFE factor of 1.¹⁴

¹⁴ As detailed in the Engineer's Report, City of Palmdale, Park Maintenance and Recreation Improvement District, Fiscal Year 2002/03 dated April 2002.

5.8 Cost of Living Inflator

Property owners in the District approved in an assessment ballot proceeding in 2002 the initial fiscal year benefit assessment for special benefits to their property including a Consumer Price Index ("CPI") increase schedule. As a result, the assessment may continue to be levied annually and may be increased up to the maximum annual CPI without any additional assessment ballot proceeding. In the event that in future years the assessments are levied at a rate less than the maximum authorized assessment rate, the assessment rate in a subsequent year may be increased up to the maximum authorized assessment rate without any additional assessment ballot proceeding.

The assessment rate is subject to an annual increase tied to the annual change in the Consumer Price Index for the Los Angeles Area as of January of each succeeding year, with the maximum annual increase not to exceed 3%. Any change in the CPI in excess of 3% shall be cumulatively reserved as the "Unused CPI" and shall be used to increase the maximum authorized assessment rate in years in which the CPI is less than 3%. The maximum authorized assessment rate is equal to the maximum assessment rate in the first fiscal year the assessment was levied, increased annually by the maximum of 1) 3% or 2) the change in the CPI plus any Unused CPI as described above.

The annual percentage change in the CPI from January 2020 to January 2021 was 0.87%, and there was 0.74% of the Unused CPI carried over (as described above). Therefore, the cost of living inflator for Fiscal Year 2021/22 is 1.61%.

5.9 Fiscal Year 2021/22 Maximum Assessment

The maximum authorized assessment rate for Fiscal Year 2021/22 is increased by 1.61% (0.87% CPI plus 0.74% Unused CPI) which equates to \$56.52 per SFE for Zones A and C, and \$28.26 per SFE for Zone B. The District's budget, provided in the Estimate of Costs section of this Engineer's Report, proposes assessments for Fiscal Year 2021/22 at the rate of \$56.52 per SFE for Zones A and C and \$28.26 for Zone B, which is equal to the maximum authorized assessment rate.

5.10 Duration of Assessment

It is proposed that the assessment be levied for Fiscal Year 2002/03 and continued every year thereafter, so long as the parks and recreational areas need to be improved and maintained and the City requires funding from the assessments for District improvements. As noted previously, the assessment can continue to be levied annually after the City Council approves an annually updated Engineer's Report, budget for the assessment, improvements to be provided, and other specifics of the assessment. In addition, the City Council must hold an annual public hearing to continue the assessment.

5.11 Appeals and Public Hearing

Any property owner who feels that the assessment levied on the subject property is in error, as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the City of Palmdale Public Works department. Any such appeal is limited to correction of an assessment during the then current fiscal year or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the City of Palmdale Public Works Engineer or his or her designee will promptly review the appeal and any information provided by the property owner. If the Public Works Engineer of the City of

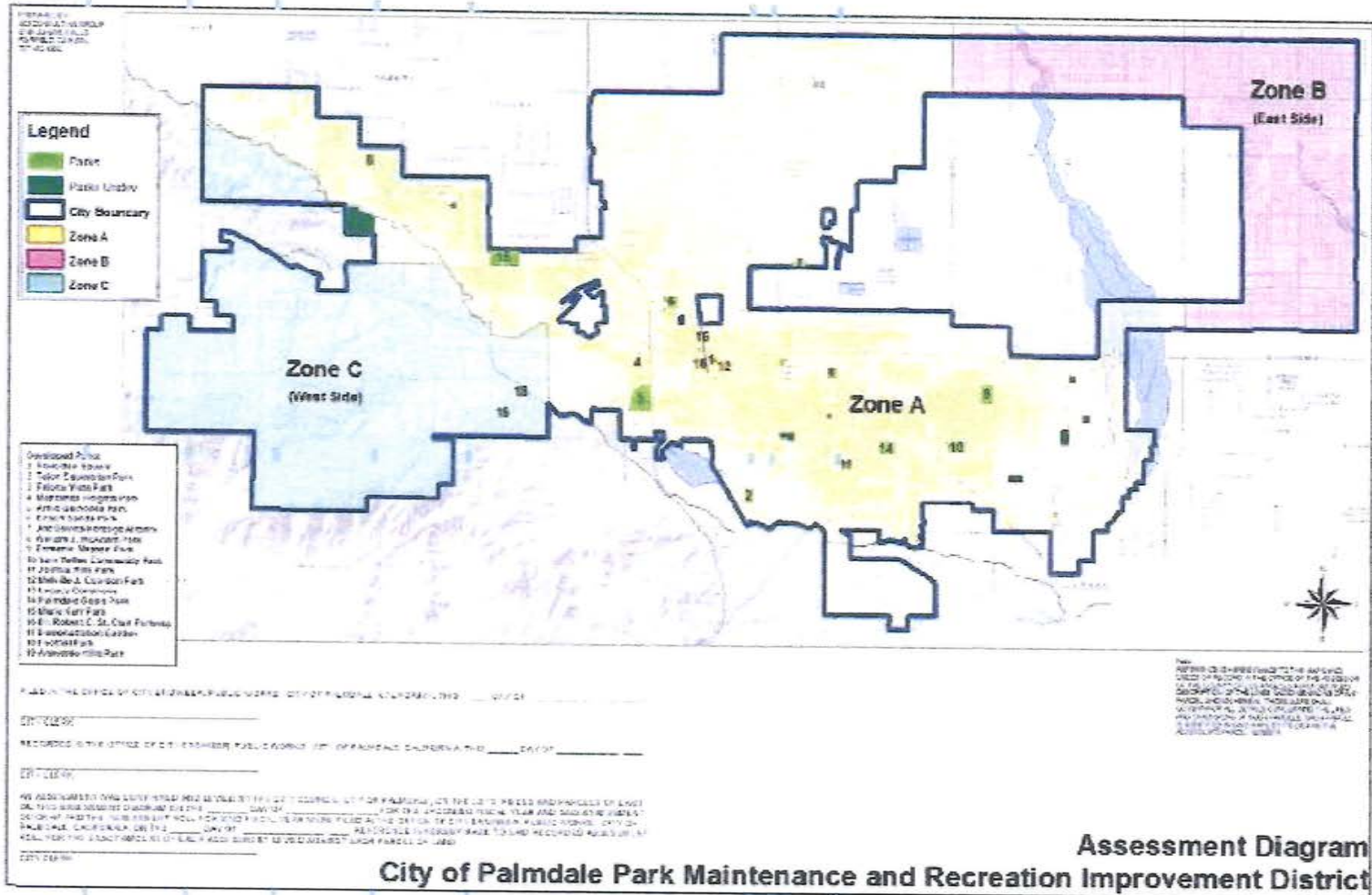
Palmdale or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the City Engineer or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any dispute over the decision of the City Engineer or her or his designee shall be referred to the Director of Public Works of the City of Palmdale, and the decision of the Director of Public Works of the City of Palmdale shall be final.



6. ASSESSMENT DIAGRAM

The District includes all properties within the boundaries of the City. The boundaries of the District are displayed on the following Assessment Diagram. The lines and dimensions of each lot or parcel within the District are those lines and dimensions shown on the maps of the County Assessor of the County of Los Angeles, at the time this Engineer's Report was prepared, and are incorporated by reference herein and made part of this Engineer's Report.





7. ASSESSMENT ROLL

The assessment roll is a listing of the District assessment apportioned to each lot or parcel, as shown on the last equalized roll of the County Assessor. The Assessment Roll for Fiscal Year 2021/22 is on file with the City Engineer and is incorporated by reference herein and made part of this Engineer's Report.

The following table summarizes the Fiscal Year 2021/22 assessment for the District.

Zone of Benefit	Parcels ⁽¹⁾	SFE Units	FY 2021/22 Rate Per SFE	FY 2021/22 Assessment Amount
Zone A	43,891	48,349.62	\$56.52	\$2,732,704.72
Zone B	1,906	135.04	28.26	3,815.86
Zone C	2,415	2,044.56	56.52	115,558.32
Totals:	48,212	50,529.22		\$2,852,078.90

(1) Includes parcels levied and active parcels not subject to the assessment.

CLOSED SESSION:

Review:

**Richards, Watson,
& Gershon**



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ANTELOPE VALLEY-EAST KERN WATER AGENCY
 6500 W. AVENUE N
 PALMDALE, CA 93551

March 14, 2022
 Invoice # 236087

Re: 13030-0001 GENERAL COUNSEL SERVICES

For professional services rendered through February 28, 2022:

			Hours
02/01/22	JLM	DRAFT LETTER CONCERNING USE OF TEJON PROPERTY FOR WATER BANK; TELEPHONE CALL ON WW 40 LINE EXTENSION	1.60
02/02/22	JLM	DRAFT MOU ADDENDUM FOR AVSWC ASSOCIATION; REVIEW SWC ARTICLES	2.80
02/03/22	JLM	E-MAILS ON REDISTRICTING MEETING	.10
02/04/22	JLM	REVIEW SWC ARTICLES, WORK ON WATER BANK MATTER AND ATTEND BOARD MEETING	2.00
02/07/22	BTK	REVIEW 2-2-22 COURT ORDER REGARDING BRIEFING SCHEDULE AND PROCEDURAL QUESTIONS POSED TO COUNSEL IN DELTA STEWARDSHIP CASES	.10
02/07/22	BTK	REVIEW AGENDA FOR 2-8-22 GENERAL BOARD MEETING; TELEPHONE CONFERENCE WITH MR. MARKMAN REGARDING AGENDA ITEMS AND PREPARATION FOR ATTENDANCE AT GENERAL BOARD MEETING	.50
02/07/22	JLM	ATTEND FINANCE COMMITTEE MEETING; E-MAIL AND CONFERENCE WITH MR. GHIRELLI ON REDISTRICTING BOUNDARIES	1.40

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			Hours
02/07/22	NRG	REVIEW PROPOSED DISTRICT MAPS AND MEET WITH MR. MARKMAN REGARDING SAME	.40
02/08/22	BTK	REVIEW FULL AGENDA PACKET FOR 2-8-22 GENERAL BOARD MEETING AND EXCHANGE MEMORANDA WITH MS. HUGHES REGARDING SAME; PREPARE FOR AND ATTEND GENERAL BOARD MEETING	2.80
02/08/22	BTK	EXCHANGE VARIOUS MEMORANDA WITH MS. HUGHES, AND MESSRS. MARKMAN AND GHIRELLI REGARDING COVERAGE AND ATTENDANCE AT 2-9-22 REDISTRICTING MEETING; TELEPHONE CONFERENCE WITH MR. MARKMAN REGARDING SAME	.40
02/09/22	BTK	ATTEND WEEKLY STATUS TELECONFERENCE WITH CO-COUNSEL IN COORDINATED CDWR WATER OPERATIONS CASES; REVIEW LETTERS FROM DWR AND CDFW REGARDING MEET AND CONFER ON ADMINISTRATIVE RECORD CONTENT AND PREPARATION	.70
02/09/22	JLM	PROVIDE INFORMATION ON NEW OVERTIME RIGHTS TO MS. ROSE; TELEPHONE CALL ON HEALY DISCLOSURES	.60
02/09/22	BWG	MESSAGES FROM/TO MR. MARKMAN REGARDING HEALY PSA	.10
02/09/22	NRG	PREPARE FOR AND PARTICIPATE IN REDISTRICTING MEETING; TELECONFERENCE WITH MR. KNUDSON REGARDING SAME	.70
02/10/22	BTK	REVIEW 2-10-22 MEMORANDUM FROM MR. LIVESAY AND ANALYZE ATTACHMENTS REGARDING LOW BID AWARDED CONTRACTOR ON HDWB - AQUEDUCT TURNOUT-LN PROJECT NO.:HDWB 21-01; PREPARE RESPONSE MEMORANDA TO MR. LIVESAY REGARDING GENERAL CONTRACTOR'S PRESENTATION OF A PRELIMINARY NOTICE TO AVEK AND RECOMMENDED RESPONSE; REVIEW RESPONSE MEMORANDUM FROM MR. LIVESAY	.70
02/10/22	JLM	REVIEW ISSUE ON USE OF DISCLOSURE FORM ON REAL ESTATE PURCHASE AND RESPOND TO CLIENT THEREON	1.30
02/10/22	BWG	TELEPHONE CONFERENCE WITH MR. MARKMAN REGARDING HEALY	.20

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			Hours
PSA AND DISCLOSURE LAW			
02/11/22	BTK	REVIEW 2-11-22 STATUS LETTER FROM COUNSEL FOR SWC; REVIEW TWO MEET AND CONFER LETTERS TO DWR AND CDFW IN COORDINATED CDWR WATER OPERATIONS WRIT OF MANDATE CASES	.30
02/11/22	JLM	REVIEW SWC ARTICLES; BEGIN REVIEW OF DRY YEAR TRANSFER DOCUMENTS	1.60
02/14/22	JLM	RESPOND TO BROWN ACT QUESTIONS ON ROAD TRIPS; REVIEW DYT DOCUMENTS FOR 2022	1.30
02/15/22	BTK	REVIEW THREE STATUS MEMORANDA FROM COUNSEL FOR SWC REGARDING COORDINATED CDWR WATER OPERATIONS CASES AND ATTACHMENTS REGARDING MEET AND CONFER EFFORTS WITH CDWR AND DEPARTMENT OF FISH AND WILDLIFE; EXCHANGE FOLLOW-UP MEMORANDA WITH CO-COUNSEL REGARDING AGENDA FOR 2-16-22 TELECONFERENCE	.50
02/15/22	JLM	REVIEW SOLAR CONTRACT AND TELEPHONE CALL TO MR. LIVESAY THEREON; REVIEW SWC ARTICLES	3.50
02/16/22	JLM	REVIEW CMC STATEMENT BY WATERMASTER ON SMALL PUMPER CLASS ISSUE; REVIEW SWC CONTRACTS	.50
02/17/22	BTK	REVIEW RESPONDENT'S BRIEF CONCERNING THE QUESTIONS IN THE COURT'S FEBRUARY 1, 2022 ORDER IN DELTA STEWARDSHIP COORDINATED CASES	.10
02/17/22	JLM	RESPOND TO BROWN ACT QUESTION ON FIELD TRIPS; REVIEW SWC ARTICLE; TELEPHONE CALL FROM MR. LIVESAY ON SOLAR CONTRACT; TELEPHONE CALL FROM MR. CHISAM ON WATCHDOG AT HEALY SITE	3.20
02/18/22	JLM	REVIEW AGENDA FOR BOARD MEETING; REVIEW COURT TENTATIVE DECISION ON STATE WATER CONTRACT EXTENSION CASE; REVIEW WATERMASTER MEETING AGENDA; E-MAILS ON USE OF DISCLOSURE FORM IN HEALY PURCHASE	3.50

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			Hours
02/18/22	BWG	E-MAILS FROM/TO MR. MARKMAN REGARDING HEALY PSA DISCLOSURE ISSUES	.10
02/22/22	JLM	REVIEW DWR CONTRACT FOR HIGH DESERT WATER BANK TURNOUT; REVIEW AGENDA PACKET; ATTEND BOARD MEETING	5.20
02/22/22	BWG	REVIEW CA DISCLOSURE LAWS (HEALY PSA); ON CALL FOR BOARD MEETING TO DISCUSS DISCLOSURE FORMS; DISCUSS SUCH FORMS	1.60
02/23/22	BTK	PREPARE FOR AND ATTEND WEEKLY TELECONFERENCE WITH CO-COUNSEL IN COORDINATED CDWR WATER OPERATIONS CASES	.70
02/23/22	JLM	REVIEW SWC ARTICLES	.40
02/24/22	JLM	E-MAILS ON ADJOURNING MEETING WHEN QUORUM IS LOST; TELEPHONE CALLS ON HEALY CARETAKER	.30
02/25/22	JLM	REVIEW SWC ARTICLES; REVIEW AUSWCA CONTRACT FOR GRANT WORK; REVIEW SO CAL ED EASEMENT OVER PIPELINE	1.50
02/28/22	BTK	REVIEW 2-28-22 STATUS MEMORANDUM FROM MR. SAPERSTEIN REGARDING NEW GOVERNMENT CLAIM FILED BY CV COMMUNITIES	.10
02/28/22	JLM	REVIEW SWC ARTICLES	.60
Total Hours			41.40

Current Legal Fees	\$16,500.00
Current Client Costs Advanced	<u>\$0.00</u>
Total Current Fees and Costs	<u>\$16,500.00</u>



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ANTELOPE VALLEY-EAST KERN WATER AGENCY
6500 W. AVENUE N
PALMDALE, CA 93551

March 14, 2022
Invoice # 236087

Re: 13030-0001 GENERAL COUNSEL SERVICES

For professional services rendered through February 28, 2022:

Current Legal Fees.....	\$16,500.00
Current Client Costs Advanced	<u>\$0.00</u>
TOTAL CURRENT FEES AND COSTS.....	<u>\$16,500.00</u>

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ANTELOPE VALLEY-EAST KERN WATER AGENCY
 6500 W. AVENUE N
 PALMDALE, CA 93551

March 14, 2022
 Invoice # 236088

Re: 13030-0002 SPECIAL SERVICES

For professional services rendered through February 28, 2022:

			Hours
02/09/22	RTG	REVIEW STATUS OF SB 114 REGARDING COVID-19 SUPPLEMENTAL SICK LEAVE AND RESPOND TO MR. MARKMAN'S E-MAIL	.20
Total Hours			0.20

Timekeeper Summary

Timekeeper	Hours Worked	Rate Per Hour	Fee Amount
RT GREEN	0.20	\$325.00	\$65.00
Totals	0.20	\$325.00	\$65.00

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Current Legal Fees	\$65.00
Current Client Costs Advanced	<u>\$0.00</u>
Total Current Fees and Costs	<u>\$65.00</u>



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6500 W. AVENUE N
PALMDALE, CA 93551

March 14, 2022
Invoice # 236088

Re: 13030-0002 SPECIAL SERVICES

For professional services rendered through February 28, 2022:

Current Legal Fees.....	\$65.00
Current Client Costs Advanced	<u>\$0.00</u>
TOTAL CURRENT FEES AND COSTS.....	<u>\$65.00</u>

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ANTELOPE VALLEY-EAST KERN WATER AGENCY
 6500 W. AVENUE N
 PALMDALE, CA 93551

March 14, 2022
 Invoice # 236089

Re: 13030-0004 AV GROUNDWATER ADJUDICATION

For professional services rendered through February 28, 2022:

			Hours
02/07/22	BTK	REVIEW COURT ORDER GRANTING MR. GARCIA LEAVE TO INTERVENE IN JUDGMENT	.10
02/07/22	BTK	REVIEW STATEMENT OF PALMDALE WATER DISTRICT IN SUPPORT OF ORDER REMANDING ISSUE OF ATTORNEYS' FEES AND COSTS TO COUNTY OF LOS ANGELES	.10
02/11/22	BTK	REVIEW MR. WOOD'S CLASS ACTION CASE MANAGEMENT CONFERENCE STATEMENT IN ADVANCE OF 2-18-22 CMC	.10
02/15/22	BTK	REVIEW PROPOSED ORDER REGARDING RE-ASSIGNMENT OF MR. WOOD'S CLASS ACTION FROM JUDGE KOMAR	.10
02/16/22	BTK	REVIEW ANTELOPE VALLEY WATERMASTER'S CASE MANAGEMENT CONFERENCE STATEMENT FOR UPCOMING 2-18-22 CMC	.10
02/16/22	BTK	REVIEW LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40'S STATEMENT FOR HEARING ON REMAND ISSUES AND PROPOSED ORDER	.10
02/28/22	BTK	REVIEW 2-28-22 COURT ORDER REGARDING HEARING ON WATERMASTER'S MOTION FOR MONETARY, DECLARATORY AND	.10

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			Hours
INJUNCTIVE RELIEF AGAINST ZAMRZLAS			
02/28/22	BTK	REVIEW SMALL PUMPER CLASS' NOTICE OF MOTION AND MOTION FOR APPELLATE AND POST-JUDGMENT ATTORNEYS' FEES; SMALL PUMPER CLASS' MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR MODIFIED ATTORNEYS' FEES AWARD CONSISTENT WITH COURT OF APPEAL OPINION; SMALL PUMPER CLASS' NOTICE OF MOTION FOR MODIFIED ATTORNEYS' FEES AWARD CONSISTENT WITH COURT OF APPEAL OPINION; DECLARATION OF MR. MCLACHLAN IN SUPPORT OF MOTIONS FOR ATTORNEYS' FEES; DECLARATION OF MR. O'LEARY IN SUPPORT OF MOTION FOR APPELLATE AND POST-JUDGMENT ATTORNEYS' FEES	.20
Total Hours			0.90

Timekeeper Summary

Timekeeper	Hours Worked	Rate Per Hour	Fee Amount
BT KIM	0.90	\$325.00	\$292.50
Totals	0.90	\$325.00	\$292.50

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Current Legal Fees	\$292.50
Current Client Costs Advanced	<u>\$0.00</u>
Total Current Fees and Costs	<u>\$292.50</u>



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6500 W. AVENUE N
PALMDALE, CA 93551

March 14, 2022
Invoice # 236089

Re: 13030-0004 AV GROUNDWATER ADJUDICATION

For professional services rendered through February 28, 2022:

Current Legal Fees.....	\$292.50
Current Client Costs Advanced	<u>\$0.00</u>
TOTAL CURRENT FEES AND COSTS.....	<u>\$292.50</u>

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March 14, 2022
 Invoice # 236090

Re: 13030-0009 SIERRA HIGHWAY PARTNERS LLC - 3217-005-007

For professional services rendered through February 28, 2022:

			Hours
02/01/22	BTK	CONTINUE PREPARATION OF STAFF REPORT SEEKING AUTHORIZATION TO COLLECT DELINQUENT SPECIAL TAXES AND NOTICE OF INTENT TO REMOVE FROM COUNTY TAX ROLL; REVIEW AND REVISE DRAFT LETTER REGARDING SURPLUS LAND ACT LIABILITY AND PREPARE PROPOSED REVISIONS; EXCHANGE FOLLOW-UP MEMORANDA WITH COUNSEL FOR TOWER INVESTMENTS	2.00
02/04/22	BTK	TELEPHONE CONFERENCE WITH MR. KNUDSON REGARDING CLOSED SESSION OR COMMITTEE MEETING FOR RESOLUTION AND NOTICE OF INTENT TO REMOVE FROM TAX ROLL AND AGENDA ISSUES; REVIEW MEMORANDUM REGARDING COMMITTEE MEETING COORDINATION AND SCHEDULING	.20
02/15/22	BTK	CONTINUE PREPARATION OF DRAFT LETTER TO CALIFORNIA DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; PREPARE REDLINED VERSION; PREPARE STATUS MEMORANDUM AND ATTACHMENT TO TOWER INVESTMENT AND OTHER PARTIES	.60
02/23/22	BTK	REVIEW 2-23-20 MEMORANDUM AND ATTACHMENT FROM COUNSEL FOR TOWER INVESTMENTS REGARDING SURPLUS LAND ACT LETTER; EXCHANGE MEMORANDA WITH MR. KNUDSON AND TELEPHONE CONFERENCE WITH MR. KNUDSON REGARDING FUTURE ANTICIPATED EVENTS; CONDUCT FOLLOW-UP LEGAL RESEARCH REGARDING	.50

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	Hours
SURPLUS LAND ACT POTENTIAL LIABILITY	
Total Hours	3.30

Timekeeper Summary

Timekeeper	Hours Worked	Rate Per Hour	Fee Amount
BT KIM	3.30	\$325.00	\$1,072.50
Totals	3.30	\$325.00	\$1,072.50

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Current Legal Fees.....	\$1,072.50
Current Client Costs Advanced	<u>\$0.00</u>
Total Current Fees and Costs	<u>\$1,072.50</u>



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6500 W. AVENUE N
PALMDALE, CA 93551

March 14, 2022
Invoice # 236090

Re: 13030-0009 SIERRA HIGHWAY PARTNERS LLC - 3217-005-007

For professional services rendered through February 28, 2022:

Current Legal Fees.....	\$1,072.50
Current Client Costs Advanced.....	<u>\$0.00</u>
TOTAL CURRENT FEES AND COSTS.....	<u>\$1,072.50</u>

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 PALMDALE, CA 93551

March 14, 2022
 Invoice # 236091

Re: 13030-0010 SIERRA HIGHWAY PARTNERS LLC - 3217-005-026

For professional services rendered through February 28, 2022:

			Hours
02/01/22	BTK	CONTINUE PREPARATION OF STAFF REPORT SEEKING AUTHORIZATION TO COLLECT DELINQUENT SPECIAL TAXES AND NOTICE OF INTENT TO REMOVE FROM COUNTY TAX ROLL; REVIEW AND REVISE DRAFT LETTER REGARDING SURPLUS LAND ACT LIABILITY AND PREPARE PROPOSED REVISIONS; EXCHANGE FOLLOW-UP MEMORANDA WITH COUNSEL FOR TOWER INVESTMENTS	2.00
02/01/22	JTS	REVISE STAFF REPORT AND NOTICE OF INTENT TO REMOVE DELINQUENT TAXES TO INCORPORATE FEEDBACK FROM MR. KIM	.90
02/01/22	JTS	CONFER WITH MR. KIM REGARDING REVISIONS TO STAFF REPORT AND NOTICE OF INTENT TO REMOVE DELINQUENT TAXES	.20
02/01/22	JTS	CONFER WITH MR. KIM REGARDING RESOLUTION AUTHORIZING FORECLOSURE ACTIONS	.10
02/01/22	JTS	REVISE RESOLUTION AUTHORIZING FORECLOSURE ACTIONS TO INCORPORATE FEEDBACK FROM MR. KIM	.50
02/01/22	JTS	E-MAILS WITH CLIENT REGARDING STAFF REPORT FOR CFD 90-1 FORECLOSURE ACTIONS	.10

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			Hours
02/04/22	BTK	TELEPHONE CONFERENCE WITH MR. KNUDSON REGARDING CLOSED SESSION OR COMMITTEE MEETING FOR RESOLUTION AND NOTICE OF INTENT TO REMOVE FROM TAX ROLL AND AGENDA ISSUES	.20
02/15/22	BTK	CONTINUE PREPARATION OF DRAFT LETTER TO CALIFORNIA DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; PREPARE REDLINED VERSION; PREPARE STATUS MEMORANDUM AND ATTACHMENT TO TOWER INVESTMENT AND OTHER PARTIES	.60
02/23/22	BTK	REVIEW 2-23-22 MEMORANDUM AND ATTACHMENT FROM COUNSEL FOR TOWER INVESTMENTS REGARDING SURPLUS LAND ACT LETTER; EXCHANGE MEMORANDA WITH MR. KNUDSON AND TELEPHONE CONFERENCE WITH MR. KNUDSON REGARDING FUTURE ANTICIPATED EVENTS; CONDUCT FOLLOW-UP LEGAL RESEARCH REGARDING SURPLUS LAND ACT POTENTIAL LIABILITY	.20
Total Hours			4.80

Timekeeper Summary

Timekeeper	Hours Worked	Rate Per Hour	Fee Amount
BT KIM	3.00	\$325.00	\$975.00
JT SMITH	1.80	\$275.00	\$495.00
Totals	4.80	\$306.25	\$1,470.00

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Current Legal Fees	\$1,470.00
Current Client Costs Advanced	<u>\$0.00</u>
Total Current Fees and Costs	<u>\$1,470.00</u>



T 213.626.8484
F 213.626.0078
Fed. I.D. No. 95-3292015

350 South Grand Avenue
37th Floor
Los Angeles, CA 90071

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ANTELOPE VALLEY-EAST KERN WATER AGENCY
6500 W. AVENUE N
PALMDALE, CA 93551

March 14, 2022
Invoice # 236091

Re: 13030-0010 SIERRA HIGHWAY PARTNERS LLC - 3217-005-026

For professional services rendered through February 28, 2022:

Current Legal Fees.....	\$1,470.00
Current Client Costs Advanced	\$0.00
TOTAL CURRENT FEES AND COSTS.....	<u>\$1,470.00</u>

TERMS: PAYMENT DUE UPON RECEIPT

PLEASE RETURN THIS PAGE WITH YOUR REMITTANCE TO

RICHARDS, WATSON & GERSHON
350 South Grand Avenue, 37th Floor
Los Angeles, CA 90071

RICHARDS WATSON GERSHON

CLOSED SESSION:

Review:

**Murphy & Evertz,
Attorneys at Law**

March 7, 2022

OUR FILE NO
40185.00001

VIA EMAIL AND U.S. MAIL

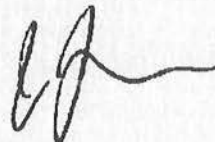
Dwayne Chisam
Antelope Valley – East Kern Water Agency
6500 West Avenue N
Palmdale, CA 93551
dchisam@avek.org

Re: High Desert Water Bank Project

Dear Mr. Chisam:

Enclosed is your billing statement for services rendered in February, 2022. Please contact me if you have any questions.

Best regards,



Livia Espiritu for
Murphy & Evertz, LLP

/LE
Enclosure

cc: Matthew Knudson (via email: mknudson@avek.org)

Murphy & Evertz
Attorneys at Law
650 Town Center Drive, Suite 550
Costa Mesa, CA 92626
Tel: (714) 277-1700 Fax: (714) 277-1777

Antelope Valley - East Kern Water Agency
 6500 West Avenue N
 Palmdale CA 93551

Attn: Dwayne Chisam

Page: 1
 February 28, 2022
 Client Matter ID: 40185-00001
 Statement No: 10168

High Desert Water Bank Project

Fees

			Rate	Hours	
02/07/2022	DJE	Work on settlement concepts.	395.00	0.50	197.50
02/15/2022	DJE	Review prior settlement agreements and stipulations; prepare budget regarding outstanding litigation.	395.00	1.00	395.00
		For Current Services Rendered		1.50	592.50

Expenses

02/24/2022		Fee to Record Certified Copy of Cover Sheet and Final Order with the County's Recorder Office 1/7/2022			45.00
		Total Expenses			45.00
		Total Current Work			637.50
		Previous Balance			\$3,689.07

Payments

02/08/2022		Payment for Invoice No: 10048 Check No: 1143 Check Date: 1/26/22 Payee: AVEK			-2,096.55
02/26/2022		Payment for Invoice No: 10110 Check No: 1149 Check Date: 2/18/22 Payee: AVEK			-1,592.52
		Total Payments			-3,689.07
		Balance Due			<u>\$637.50</u>

Federal Tax ID No: 27-2224775

Murphy & Evertz
Attorneys at Law
650 Town Center Drive, Suite 550
Costa Mesa, CA 92626
Tel: (714) 277-1700 Fax: (714) 277-1777

Antelope Valley - East Kern Water Agency
6500 West Avenue N
Palmdale CA 93551

Attn: Dwayne Chisam

Page: 1
February 28, 2022
Client Matter ID: 40185

Previous Balance	Fees	Expenses	Advances	Payments	Balance
High Desert Water Bank Project 3,689.07	592.50	45.00	0.00	-3,689.07	<u>\$637.50</u>

REVIEWED
3/8/22
M.X.

CLOSED SESSION:

Review:

**Brownstein Hyatt
Farber Schreck, LLP**

Antelope Valley-East Kern Water Agency
6500 W Ave N
Palmdale, CA 93551

Invoice Date: March 10, 2022
Invoice #: 881284
Client.Matter #: 061900.0001

Payment Due Upon Receipt

Client: Antelope Valley-East Kern Water Agency
Matter: AVEK and CV Communities Dispute

INVOICE SUMMARY

For Professional Services Rendered Through February 28, 2022

Fees	\$7,574.00
Costs	\$670.20
Charges	\$189.35
Total Invoice Amount	\$8,433.55

REVIEWED
3/14/22
M.X.

ELECTRONIC PAYMENTS (PREFERRED)

For Electronic Payment Instructions,
please visit the
Brownstein website at:

www.BHFS.com/WireInstructions

CHECK PAYMENTS (LOCKBOX)

Send to:
Brownstein Hyatt Farber Schreck, LLP
P.O. Box 172168
Denver, CO 80217-2168

DO NOT MAIL PAYMENTS VIA CERTIFIED MAIL

Client: Antelope Valley-East Kern Water Agency
 Matter: AVEK and CV Communities Dispute

Invoice Date: March 10, 2022
 Invoice #: 881284
 Client.Matter #: 061900.0001
 Page 2

FEE DETAIL

Date	Timekeeper	Description	Hours	Rate	Amount
02/02/22	R. Saperstein	Review communication from CV re status; email exchange with client team re same	0.40	710.00	284.00
02/02/22	R. Saperstein	Telephone conference with J. Diaz re status	0.40	710.00	284.00
02/02/22	J. Diaz	Review and analyze CV letter and outline potential response; telephone conference with R. Saperstein re same	0.80	465.00	372.00
02/03/22	R. Saperstein	Review file materials; preparation of draft communication with CV; email exchange with client team re same	0.80	710.00	568.00
02/03/22	J. Diaz	Telephone conference with D. Chisam and M. Knudson re response to CV letter and Avanti North	0.50	465.00	232.50
02/04/22	J. Diaz	Review and revise response letter to CV counsel re Avanti North payment	0.20	465.00	93.00
02/07/22	R. Saperstein	Review historical file documents re communications re Avanti North	0.30	710.00	213.00
02/07/22	J. Diaz	Revise response to CV letter re Avanti North; analyze prior communications re Avanti North payment obligation; email to R. Saperstein re same	1.40	465.00	651.00
02/08/22	R. Saperstein	Telephone conference with D. Chisam re preparation for Board meeting; email exchange with D. Chisam re same	0.60	710.00	426.00
02/08/22	R. Saperstein	Preparation for and participation in closed session Board meeting	0.50	710.00	355.00
02/08/22	R. Saperstein	Telephone conference with J. Diaz re prior communications re CV payments	0.30	710.00	213.00
02/09/22	R. Saperstein	Email exchange with D. Chisam re status	0.30	710.00	213.00
02/16/22	R. Saperstein	Email exchange with client team re status	0.10	710.00	71.00
02/23/22	R. Saperstein	Preparation for telephone conference with SGPWA; review recent amendments to SWP contract	0.90	710.00	639.00
02/23/22	R. Saperstein	Telephone conference with client team and AVEK representatives re litigation options	0.90	710.00	639.00
02/23/22	J. Diaz	Telephone conference with San Gorgonio Pass Water Agency re agreement amendment; pre-call with D. Chisam and M. Knudson re same; research re State Water Project transfer rules	1.50	465.00	697.50
02/24/22	R. Saperstein	Review communication re CV (new government claim) email exchange with client team re same	0.30	710.00	213.00

Brownstein

Client: Antelope Valley-East Kern Water Agency
 Matter: AVEK and CV Communities Dispute

Invoice Date: March 10, 2022
 Invoice #: 881284
 Client.Matter #: 061900.0001

Page 3

Date	Timekeeper	Description	Hours	Rate	Amount
02/24/22	J. Diaz	Review Government Code claim letter	0.20	465.00	93.00
02/28/22	R. Saperstein	Preparation for and telephone conference with client team re status and strategy	0.80	710.00	568.00
02/28/22	R. Saperstein	Telephone conference with J. Diaz re litigation preparation and discovery issues and next steps	0.40	710.00	284.00
02/28/22	J. Diaz	Review and analyze CV claims letter and procedure	0.20	465.00	93.00
02/28/22	J. Diaz	Telephone conference with D. Chisam, M. Knudson and R. Saperstein re San Gorgonio and case next steps	0.80	465.00	372.00
Total Fees			12.60		\$7,574.00

FEE SUMMARY

Timekeeper	Worked Hours	Worked Amount	Billed Hours	Billed Rate	Billed Amount
Robert J. Saperstein	7.00	4,970.00	7.00	710.00	4,970.00
Jessica L. Diaz	5.60	2,604.00	5.60	465.00	2,604.00
Total Fees	12.60	\$7,574.00	12.60		\$7,574.00

COST DETAIL

Date	Cost Type	Description	Amount
01/31/22	Relativity Data Review and Analysis Repository Hosting (10)	67.02 GB(s) @ 10.00 per GB - January 2022	670.20
Total Costs			\$670.20

COST SUMMARY

Description	Amount
Relativity Data Review and Analysis Repository Hosting (10)	670.20
Total Costs	\$670.20

CHARGE DETAIL

Date	Description	Amount
03/02/22	Administrative Fee	189.35
Total Charges		\$189.35

Antelope Valley-East Kern Water Agency
6500 W Ave N
Palmdale, CA 93551

Invoice Date: March 10, 2022
Invoice #: 881284
Client.Matter #: 061900.0001

Payment Due Upon Receipt

Client: Antelope Valley-East Kern Water Agency
Matter: AVEK and CV Communities Dispute

REMITTANCE SUMMARY

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(PREFERRED)

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(LOCKBOX)

Send to:
Brownstein Hyatt Farber Schreck, LLP
P.O. Box 172168
Denver, CO 80217-2168

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