

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JUNE 28, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, June 28, 2017, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Robert Alvarado, called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Alvarado, Deputy Water & Energy Resources Director Thompson II led the pledge of allegiance followed by a moment of silence in honor of our troops and law enforcement.

2) Roll Call.

Attendance:

Robert Alvarado, President --
Vincent Dino, Vice President
Marco Henriquez, Treasurer
Joe Estes, Secretary

Kathy Mac Laren, Director --
EXCUSED ABSENCE

Others Present:

Dennis LaMoreaux, General Manager
Eric Dunn, General Counsel
Mike Williams, Finance Manager
Jim Riley, Engineering/Grant Manager
Jim Stanton, Information Technology Manager
Peter Thompson II, Dep. Water & Energy Resrc. Dir.
Laura Gallegos, Public Affairs Specialist
Dawn Deans, Executive Assistant
3 members of the public

3) Adoption of Agenda.

It was moved by Director Estes and seconded by Director Henriquez to adopt the agenda, as written. General Counsel Dunn then stated that Agenda Item No.'s 9, 10, 11, and 12 can be removed from the agenda as there is no need for a closed session after which Director Estes amended his motion, Director Henriquez amended his second, and it was unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as amended, removing Agenda Item No.'s 9, 10, 11, and 12.

4) Public Comments for Non-Agenda Items.

Mr. David Palmer, Palmdale resident, stated that he is new to the community, is retired, and plans on becoming an active member of the community.

There were no further public comments.

5) Presentations:

5.1) 2017 Water Status. (Water & Energy Resources Director Pernula)

Deputy Water & Energy Resources Director Thompson II provided an overview of the District's water supply for 2017 including the 85% State Water Project allocation, Littlerock Reservoir water, payback of water debt, lower demand due to conservation, projected production of 75% of supply from surface water and 25% from groundwater to provide wells a rest, unpredictable supplies, State Water Project allocations over the years, excess supply for 2017, carryover water for 2018, and the benefit of the Palmdale Regional Groundwater Recharge and Recovery Project to store this excess water.

5.2) Status of Grant Applications. (Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley provided an overview of the District's grant applications through Proposition 1 and through the Bureau of Reclamation including amounts available through these grants, the \$75,000.00 planning grant awarded to the District for the Feasibility Report for the Palmdale Regional Groundwater Recharge and Recovery Project (PRGRRP), the design and construction loan application process for the PRGRRP, timeline for construction and need to hire a consultant for management of the construction loan for PRGRRP, the \$75,000.00 Cash for Grass grant awarded to the District, and rating criteria for grant applications.

6) Action Items – Consent Calendar: (The Public Shall Have an Opportunity to Comment on Any Action Item on the Consent Calendar as the Consent Calendar is Considered Collectively by the Board of Directors Prior to Action Being Taken.)

6.1) Approval of Minutes of Regular Meeting Held June 14, 2017.

6.2) Payment of Bills for June 28, 2017.

6.3) Approval of Statement of Work between the District and Ernst & Young for 2017-2018 State Water Project Procedures to be Performed Related to the Department of Water Resources' 2018 Statement of Charges. (\$7,939.00 – Budgeted – General Manager LaMoreaux)

6.4) Approval of Resolution No. 17-16 Approving the Antelope Valley State Water Contractors Association Budget for Fiscal Year 2017/2018. (Deputy Water & Energy Resources Director/AVSWCA Assistant General Manager Thompson II)

President Alvarado announced the items included in the Consent Calendar after which Director Henriquez requested Agenda Item No. 6.3 be removed from the Consent Calendar for additional discussion.

General Manager LaMoreaux then reviewed the purpose of the Ernst & Young Statement of Work and the District's share of the cost after which it was moved by Director Estes, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar.

A copy of Resolution No. 17-16 is hereby made a portion of the minutes for this meeting.

7) Action Items - Action Calendar (The Public Shall Have an Opportunity to Comment on Any Action Item as Each Item is Considered by the Board of Directors Prior to Action Being Taken.)

7.1) Status report on Cash Flow Statement and Current Cash Balances as of April, 2017. (Financial Advisor Egan/Finance Committee)

Finance Manager Williams reviewed the investment funds report as of April, 2017 including the increase in cash of approximately \$2,147,000 due to assessments received, a maturing CD, and Capital Improvement Fees and then provided an overview of the cash flow statement including assessments, Capital Improvement Fees, Redevelopment Agency Pass-through funds received in June, the Department of Water Resources refund, water sales, the Butte payment made in June, and projected 2017 year-end cash.

7.2) Status report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for April, 2017. (Finance Manager Williams/Finance Committee)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending April, 2017 and stated that most departments are operating at or below the targeted expenditure percentage of 33% followed by discussion of departmental line items over budget.

7.3) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Finance Manager Williams/Finance Committee)

Finance Manager Williams provided an overview of the updated Contractual Commitments and Needs for 2017 capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, a summary of committed and projected capital expenditures, available funding sources, adjustments for projects, unexpected emergency projects, and an update on the Water Revenue Bond Series 2013A Bond funds and payments to date.

7.4) Consideration and Possible Action on Submittal of a Grant Application to the Antelope Valley Air Quality Management District for Two Electric Car Charging Stations to be Installed in the District's Public and Employee Parking Lots. (\$6,520.00 – District's Share – Non-Budgeted – Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley provided an overview of electric car charging stations and grants available for purchase and installation after which it was moved by Director Henriquez, seconded by Director Estes, and unanimously carried by all members of the Board of Directors present at the meeting to approve the submittal of a grant application to the Antelope Valley Air Quality Management District for two electric car charging stations to be installed in the District's public and employee parking lots in the not-to-exceed amount of \$6,520.00.

7.5) Consideration and Possible Action on Memorandum of Understanding Regarding the Public Water Agencies Group Emergency Preparedness Coordinator Position. (\$23,129.00 Annually – Budgeted – General Manager LaMoreaux)

General Manager LaMoreaux provided an overview of the Emergency Preparedness Coordinator position and the effort to fill this position by the Public Water Agencies Group after which it was moved by Director Dino, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve the Memorandum of Understanding regarding the Public Water Agencies Group Emergency Preparedness Coordinator Position.

7.6) Consideration and Possible Action on Outreach Activities for 2017. (General Manager LaMoreaux/Public Affairs Specialist Gallegos)

a) Outreach Plans for 2017.

Public Affairs Specialist Gallegos stated that staff and Directors continue to appear on Café Con Leche monthly; that Water Walks continue on the third week of the month; that the next edition of The Pipeline will be distributed in August and requested recommendations for content; that the District is participating in the Palmdale School District's summer lunch program along with the City of Palmdale visiting each site and providing water-related activities; and that she continues to stay active on local community Boards such as the Palmdale Chamber of Commerce and GAVEA.

b) Upcoming Events.

She then stated that upcoming events include a blood drive scheduled for July 26.

c) Outreach Recommendations from Directors.

The summer lunch program, Aquadog, and Refreshments with Directors were discussed, and Public Affairs Specialist Gallegos requested Directors contact her with a date, time, and location for their Refreshments with Directors, and she will provide materials for the event.

d) 100th Year Anniversary Events.

She then stated that staff continues planning for the District's 100th Year Anniversary; that an Ad Hoc Board Committee meeting is scheduled for July 3 at 10 a.m. to review plans; and that it is anticipated that recommendations from the Committee will be presented to the Board for consideration at the July 12, 2017 Regular Board Meeting.

7.7) Consideration and Possible Action on Authorization of the Following Conferences, Seminars, and Training Sessions for Board and Staff Attendance Within Budget Amounts Previously Approved in the 2017 Budget: a) None at This Time.

There were no conferences, seminars, and training sessions to consider.

8) Information Items:

8.1) Reports of Directors:

a) President's Report.

a) Meetings/General Report.

Director Dino reported that on June 20, he attended a meeting with Dr. Mathis regarding evaluations for the General Manager and Legal Counsel; that on June 26, he attended a Board briefing with General Manager LaMoreaux; that on June 27, he attended an AVEK Board Meeting; and that on June 28, he is attending the Palmdale Water District Board meeting.

Director Henriquez reported that on June 15, he attended the Antelope Valley State Water Contractors Association meeting as an observer; that on June 20, he attended a meeting with Dr. Mathis regarding evaluations for the General Manager and Legal Counsel; that on June 26, he attended the Finance Committee meeting where they reviewed the items discussed earlier in the meeting; that on June 28, he attended the Antelope Valley Watermaster meeting; that on June 29, he will be attending the employee All-Hands meeting; and that on June 30, he will be attending the Legislative Tour of the District's facilities with Assemblyman Lackey and Senator Wilk.

Director Estes reported that on June 19, he had a telephone meeting with Dr. Mathis regarding evaluations for the General Manager and Legal Counsel and that on June 27, he attended a Board briefing with General Manager LaMoreaux.

President Alvarado reported attendance at the following District-related meetings: on June 15, he attended the Antelope Valley State Water Contractors Association meeting, and Deputy Water & Energy Resources Director Thompson II was appointed as Assistant General Manager; that on June 19, he attended a meeting with Dr. Mathis regarding evaluations for the General Manager and Legal Counsel; that on June 20, he attended a meeting with Chris Palmer, of California Special Districts Association, along with Public Affairs Specialist Gallegos and Engineering/Grant Manager Riley where they discussed the District's projects and outreach; that on June 21, he attended an agenda review and approval meeting; that on June 26, he attended the Finance Committee meeting; that on June 27, he had a telephone briefing with General Manager LaMoreaux; that on June 29, he will be attending the Ad Hoc Committee meeting for the Antelope Valley State Water Contractors Association to discuss strategic planning; and that on June 30, he will be attending the Legislative Tour of the District's facilities with Assemblyman Lackey and Senator Wilk.

He then reported attendance at the following non-District related meetings and future meetings: on June 15, he attended the Palmdale School District Dancing with the Stars Program; that on June 17, he attended a Family Resource Center grand opening; and that on June 24, he attended a Know Your Rights Workshop.

He then reported that the District's 2016 Consumer Confidence Report is now available on the District's website and that he received a survey from Assemblyman Lackey and is pleased water-related questions are included in the survey.

b) Standing Committee/Assignment Reports (Chair):

- 1) AVSWCA.**
- 2) Finance Committee.**

President Alvarado stated that there were no additional reports.

8.2) Report of General Manager.

a) June, 2017 Written Report of Activities Through May, 2017.

General Manager LaMoreaux stated that he submitted a written report for June, 2017 and then highlighted the increase in water use and low number of leaks.

He then reported that at the Antelope Valley Watermaster meeting, the administrative draft of the first annual report required by the judgment was released, staff will be reviewing and commenting on the draft, and the best method for legal representation was discussed; that an Antelope Valley Watermaster Advisory meeting will be held July 6 at 2 p.m. at Quartz Hill Water District to obtain a collective set of comments on the draft; and then reviewed the schedule for completion and submittal of the draft report.

He then reported that the Forest Service signed the Record of Decision for the Littlerock Sediment Removal Project, and a copy has been provided for the Board; that the permit process can now be completed; and that construction for the grade control structure is anticipated for a year from now.

He then reported that a contract was awarded for a pilot basin project for the Palmdale Regional Groundwater Recharge & Recovery Project; that the District entered into an agreement with the Sanitation District for access to the site for this work; and that this agreement was recently renewed.

b) Overview of California Special Districts Association (CSDA) Benefits and Services. (President Alvarado/Public Affairs Specialist Gallegos)

Public Affairs Specialist Gallegos provided a detailed overview of the benefits of CSDA membership including the offer from CSDA to speak at District meetings, their willingness to lobby at the state level for the District, contact resources, and their request for press releases, newsletters, and accomplishments from the District.

8.3) Report of General Counsel.

General Counsel Dunn stated that he has no report.

13) Board Members' Requests for Future Agenda Items.

President Alvarado requested an item be included on the next agenda for "Consideration and possible action to authorize the preparation and distribution of an RFP for a Project Manager for the Palmdale Regional Groundwater Recharge & Recovery Project."

There were no further requests for future agenda items.

14) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 9:08 p.m.


Secretary

RESOLUTION NO. 17-16

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
APPROVING ANTELOPE VALLEY
STATE WATER CONTRACTORS ASSOCIATION
BUDGET FOR FISCAL YEAR 2017/2018**

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

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

WHEREAS, the Antelope Valley State Water Contractors Association unanimously adopted a budget for fiscal year 2017/18 at their regular meeting held June 15, 2017 which budget included an allocation among the member agencies.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Palmdale Water District hereby approves the 2017/18 budget and allocation of budgeted funds adopted by the Antelope Valley State Water Contractors Association.

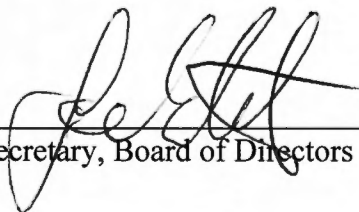
I certify that this is a true copy of Resolution No. 17-16 as passed by the Board of Directors of the Palmdale Water District at its meeting held June 28, 2017 in Palmdale, California.

Date: June 28, 2017



Robert Alvarado, President,
Board of Directors

ATTEST:



Joe Estes, Secretary, Board of Directors

APPROVED AS TO FORM:



BY: _____
Aleshire & Wynder, LLP, General Counsel