

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JANUARY 11, 2017:

A regular meeting of the Board of Directors of the Palmdale Water District was held Wednesday, January 11, 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, Engineering/Grant Manager Riley led the pledge of allegiance followed by a moment of silence in memory of Director Mac Laren's father, Vic Johnson.

2) Roll Call.

Attendance:

Robert Alvarado, President
Vincent Dino, Vice President
Marco Henriquez, Treasurer
Kathy Mac Laren, Director

Joe Estes, Secretary --
EXCUSED ABSENCE

Others Present:

Dennis LaMoreaux, General Manager
Matt Knudson, Assistant General Manager
Eric Dunn, General Counsel
Jennifer Emery, Human Resources Director
Mike Williams, Finance Manager
Jim Riley, Engineering/Grant Manager
Jim Stanton, Information Technology Manager
Mynor Masaya, Operations Manager
Laura Gallegos, Public Affairs Specialist
Bob Egan, Financial Advisor
Dawn Deans, Executive Assistant
4 members of the public

3) Adoption of Agenda.

It was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to adopt the agenda, as written.

4) Public Comments for Non-Agenda Items.

Ms. Joanne Granai, Palmdale resident, stated that there is a very large public outcry for the Board to stop the shenanigans; that this year needs to be different as there is no election this year; and that she requests that the Board get down to business as there are good things happening with the water supply and the rate increase being passed; and that if the Board cannot start working as a team, they need to step down and let someone else do it.

There were no further public comments.

5) Presentations:

5.1) None at This Time.

Information Technology Manager Stanton provided a brief overview of the status on the new Boardroom projector and voting process.

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 December 14, 2016.

6.2) Ratification of Payment of Bills for December 21, 2106.

6.3) Payment of Bills for January 11, 2017.

6.4) Approval to update Section IV.K Unpaid Time Off Policy of the District's Employee Handbook. (Human Resources Director Emery/Personnel Committee)

6.5) Approval of reappointment of Helen Velador to Palmdale Recycled Water Authority Board. (General Manager LaMoreaux)

6.6) Approval to purchase GCMS lab equipment. (\$122,000.00 – Budgeted – Water Quality/Regulatory Affairs Supervisor Thompson)

6.7) Approval to reject claim received from Julieta Cardenas and refer to Joint Powers Insurance Authority. (General Manager LaMoreaux)

6.8) Approval of Resolution No. 17-1 being a Resolution of the Board of Directors of the Palmdale Water District Authorizing Directors to Revise Health Insurance Options Within 2017 Budget Amounts. (\$110,000.00 – Budgeted – Human Resources Manager Emery)

President Alvarado announced the items included in the Consent Calendar after which Director Henriquez requested Agenda Item No. 6.4 be considered separately.

It was then moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar with the exception of Agenda Item No. 6.4.

A copy of Resolution No. 17-1 is hereby made a portion of the minutes of this meeting.

6.4) Approval to Update Section IV.K Unpaid Time Off Policy of the District's Employee Handbook. (Human Resources Director Emery/Personnel Committee)

Director Henriquez requested this item be considered separately for additional information.

Human Resources Director Emery then provided an overview of the revisions to Section IV.K of the District's Employee Handbook and Cobra benefits after which it was moved by Director Henriquez, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to approve the update to Section IV.K Unpaid Time Off Policy of the District's Employee Handbook.

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 November, 2016. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of November, 2016, including assessments received, CDs, and interest earnings for December; provided an overview of the cash flow statement, anticipated assessments for December, RDA Pass-through funds, and projected year-end cash for 2016 and 2017; and stated that it is important to maintain reserves and steady operations to be able to obtain funding for projects.

7.2) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for November, 2016. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending November, 2016 and stated that most departments are operating at or below the targeted expenditure percentage of 92%.

7.3) Status Report on Committed Contracts Issued and Water Revenue Bond Projects. (Assistant General Manager Knudson)

Assistant General Manager Knudson provided an update on contractual commitments and needs for 2017 capital projects, consulting and engineering support projects, new and replacement equipment, and water quality fee funded projects along with an update on the Water Revenue Bond Series 2013A Bond funds and payments to date

General Manager LaMoreaux then reviewed the emergency work on Well No. 8 and stated that this work was not planned, and staff will continue to recommend projects to avoid emergency repairs followed by discussion of the reductions in the Water Quality Fee.

7.4) Consideration and Possible Action on Lease Agreement With Holman Capital. (\$830,000.00 – Budgeted – Finance Manager Williams/Finance Committee)

Finance Manager Williams provided an overview of the Lease Agreement with Holman Capital, along with equipment and software to be included in the Lease Agreement, and after a brief discussion of the Finance Committee's recommendation to approve this item, a prepayment penalty, the Debt Service Coverage, the 2017 Budget, the low interest rate, and the District's ability to enter into this Lease due to the District's financial strength and recent adoption of the Rate Plan, it was moved by Director Henriquez, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to approve the Lease Agreement with Holman Capital in the amount of \$830,000.00 authorizing General Manager LaMoreaux to execute the Lease Agreement subject to final document approval by General Counsel Dunn.

Finance Manager Williams then stated that a representative from Holman Capital is available to attend the next Regular Board Meeting regarding the Lease Agreement and that a Resolution authorizing the Lease Agreement will also be presented for consideration at the next Regular Board Meeting.

President Alvarado then thanked Alisha Semchuck, Antelope Valley Press, for her well-detailed coverage of recent District events.

7.5) Consideration and Possible Action on Revisions to Application Process for Rate Assistance Program. (Finance Manager Williams/Finance Committee)

Finance Manager Williams provided an overview of staff's recommendation to establish an application period for the Rate Assistance Program, and after a brief discussion of staff's and the Finance Committee's recommendation to establish the application period, of allowing new service applicants to also apply for the Program, of the establishment of the Rate Assistance Program, and of funding for the Rate Assistance Program, it was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve revisions to the application process for the Rate Assistance Program.

7.6) Consideration and Possible Action on Resolution No. 17-2 Being a Resolution of the Board of Directors of the Palmdale Water District Approving the District's Grant Application for a Feasibility Study for the Palmdale Regional Groundwater Recharge and Recovery Project under the U.S. Bureau of Reclamation's WaterSmart Program Entitled "Development of Feasibility Studies Under the Title XVI Water Reclamation and Reuse Projects for Fiscal Year 2017." (Budgeted – In-kind Services \$50,034.00 – Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley provided an overview of Resolution No. 17-2, and after a brief discussion, 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 Resolution No. 17-2 being a Resolution of the Board of Directors of the Palmdale Water District Approving the District's Grant Application for a Feasibility Study for the Palmdale Regional Groundwater Recharge and Recovery Project under the U.S. Bureau of Reclamation's WaterSmart Program Entitled "Development of Feasibility Studies Under the Title XVI Water Reclamation and Reuse Projects for Fiscal Year 2017" for in-kind services in the amount of \$50,034.00.

A copy of Resolution No. 17-2 is hereby made a portion of the minutes of this meeting.

7.7) Consideration and Possible Action on Resolution No. 17-3 Being a Resolution of the Board of Directors of the Palmdale Water District Approving the

District's Grant Application for a Landscape Water Use Efficiency Project Under the U.S. Bureau of Reclamation's WaterSmart Program "Small-Scale Efficiency Projects For Fiscal Year 2017." (Budgeted - \$75,000.00 – Engineering/Grant Manager Riley)

Engineering/Grant Manager Riley provided an overview of Resolution No. 17-3, and after a brief discussion, it was moved by Director Henriquez, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting to approve Resolution No. 17-3 being a Resolution of the Board of Directors of the Palmdale Water District Approving the District's Grant Application for a Landscape Water Use Efficiency Project Under the U.S. Bureau of Reclamation's WaterSmart Program "Small-Scale Efficiency Projects For Fiscal Year 2017" in the amount of \$75,000.00.

A copy of Resolution No. 17-3 is hereby made a portion of the minutes of this meeting.

7.8) Consideration and Possible Action on Proposal to Perform an Assessment of the Existing Equipment and Evaluate Water Treatment Processes. (\$35,000.00 – Budgeted – Assistant General Manager Knudson)

Assistant General Manager Knudson provided an overview of the proposal received from Carollo Engineers for this work, and after a brief discussion of the District's Strategic Plan Initiatives, it was moved by Director Mac Laren, seconded by Director Dino, and unanimously carried by all members of the Board of Directors present at the meeting to approve the proposal received from Carollo Engineers to perform an assessment of the existing equipment and evaluate water treatment processes at the Leslie O. Carter Water Treatment Plant in the not-to-exceed amount of \$35,000.00 and to authorize General Manager LaMoreaux to execute a Professional Services Agreement for this work.

7.9) Consideration and Possible Action on Changing the Meeting Time of Board Meetings. (Director Dino)

Director Dino stated that in an effort to continue cost saving measures for the District, he recommends an open discussion on changing Regular Board Meeting times to 4:00 p.m. during normal working hours saving overtime charges and extra use of utilities and staff prepare an annual cost savings analysis of this option and the percentage of ratepayers currently attending Regular Board Meetings.

A brief discussion then ensued regarding ensuring public access to the ratepayers and an alternate option of having the first Regular Board Meeting at 4:00 p.m. and the second Regular Board Meeting at 7:00 p.m., and it was recommended that this option be included in the analysis.

Ms. Joanne Granai, Palmdale resident, stated that as a ratepayer, it would be great if Regular Board Meetings were held earlier; that many members of the public are tired, have families to tend to in the evenings, or are seniors; that 7:00 p.m. is just too late; that there is currently no public involvement and something needs to be changed; and then commended the Board for holding the Public Comment period at the beginning of Board meetings and for researching options for greater public attendance at Regular Board Meetings.

Staff was then directed to prepare a cost analysis regarding changing Regular Board Meeting times and present same to the Board for discussion at a future meeting.

7.10) 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:

- 1) Palmdale Chamber of Commerce 76th Annual Installation Gala to be held January 13, 2017 at Rancho Vista Golf Club.
- 2) California Special Districts Association (CSDA) Webinar: Brown Act-Principles, Traps, and Violations to be held January 18, 2017.
- 3) CSDA Board Member Best Practices Workshop to be held January 19, 2017 in Claremont for the Southern Network.
- 4) CSDA Webinar: Required Harassment Prevention for Staff/Board to be held January 24, 2017 and June 6, 2017.
- 5) CSDA Webinar: Rules of Order Made Easy! to be held January 26, 2017.
- 6) CSDA Webinar: Maximize Your Membership-Benefits to be held January 27, 2017.
- 7) CSDA Proposition 26, Proposition 218 & Rate Setting Workshop to be held January 31, 2017 in Vista and March 15, 2017 in Oakland.
- 8) CSDA Webinar: Recent Developments in the Public Records Act to be held January 31, 2017.
- 9) CSDA Webinar: 2017 Annual Employment Law Update to be held February 2, 2017.
- 10) Water Education Foundation (WEF) Water 101 to be held February 2 – 3, 2017 in West Sacramento.

- 11) CSDA Webinar: Understanding Board Member & District Liability to be held February 8, 2017.
- 12) CSDA Webinar: Maximize Your Membership-Legislative/Outreach to be held February 10, 2017.
- 13) CSDA Webinar: Sustainability Best Practices to be held February 15, 2017.
- 14) CSDA HR Boot Camp for Special Districts to be held February 21, 2017 in Rancho Cucamonga and August 9, 2017 in Vallejo.
- 15) CSDA Webinar: Who Does What? Best Practices in Board/Staff to be held February 22, 2017.
- 16) CSDA Special District Leadership Academy to be held February 26 – March 1, 2017 in La Jolla; April 23 – 26, 2017 in San Luis Obispo; and July 9 – 12, 2017 in Napa.
- 17) CSDA Webinar: Financing Mission Critical Infrastructure to be held March 1, 2017.
- 18) CSDA Webinar: Best Practices in Agenda Prep & Taking Minutes to be held March 7, 2017.
- 19) CSDA Financial Management for Special Districts to be held March 8, 2017 in Rancho Cucamonga and August 10, 2017 in Vallejo.
- 20) Association of California Water Agencies (ACWA) 2017 Legislative Symposium to be held March 8, 2017 in Sacramento.
- 21) WEF Central Valley Tour 2017 Field Trip to be held March 8 – 10, 2017.
- 22) CSDA Webinar: Required Ethics AB1234 Compliance Training to be held March 16, 2017 and November 8, 2017.
- 23) CSDA Supervisory Skills for the Public Sector to be held March 20, 2017 in Marina and April 11, 2017 in Vista.
- 24) CSDA Hammering Out a Framework: Construction and Business Matters to be held March 23, 2017 in Fountain Valley.
- 25) WEF 2017 Executive Briefing to be held March 23, 2017 in Sacramento.
- 26) CSDA So You Want to be a General Manager to be held March 27, 2017 in Sacramento.
- 27) SDRMA Safety/Claims Education Day to be held March 28, 2017 in Sacramento.
- 28) CSDA Legislative Round-Up to be held March 30, 2017 and August 31, 2017.
- 29) CSDA Webinar: How-To-Do-It for Special Districts w/Revenue Needs to be held April 4, 2017.
- 30) WEF Lower Colorado River Tour 2017 Field Trip to be held April 5 – 7, 2017.

- 31) CSDA Webinar: Leveraging Your State and Federal Relationships to be held April 6, 2017.
- 32) CSDA Webinar: Public Engagement and Budgeting to be held April 19, 2017.
- 33) WEF Headwaters Tour 2017 Field Trip to be held April 27 – 28, 2017.
- 34) CSDA Webinar: How to Find, Apply, and Secure Grant Funding to be held May 11, 2017.
- 35) ACWA 2017 Spring Conference & Exhibition to be held May 9 – 12, 2017 in Monterey.
- 36) CSDA 2017 Special Districts Legislative Days to be held May 16 – 17, 2017 in Sacramento.
- 37) CSDA Webinar: Governments Engaging Youth to be held May 23, 2017.
- 38) WEF Santa Ana River Watershed Conference to be held May 25, 2017 in Ontario.
- 39) CSDA Webinar: Beyond the Basics: Implementing Funding to be held May 24, 2017.
- 40) CSDA Webinar: Anatomy of a CalPERS Audit-What to Know Now to be held May 25, 2017.
- 41) CSDA Webinar: Ask the Experts-Energy Project Financing to be held June 9, 2017.
- 42) WEF Bay-Delta Tour 2017 Field Trip to be held June 14 – 16, 2017.
- 43) CSDA General Manager Leadership Summit to be held June 25 – 27, 2017 in Newport Beach.
- 44) ESRI 2017 User Conference to be held July 10 – 14, 2017 in San Diego.
- 45) CSDA Webinar: Records Retention & Management in Electronic Age to be held July 20, 2017.
- 46) International Water Association International Conference on Water Reclamation and Reuse to be held July 23 – 27, 2017 in Long Beach.
- 47) CSDA Webinar: How to Communicate Effectively Using Online Tools to be held July 27, 2017.
- 48) CSDA The Art of the Message to be held August 15, 2017 in Sacramento.
- 49) CSDA Webinar: Fraud Environment-Tips for Detection and Controls to be held August 17, 2017.
- 50) CSDA Staying in Compliance: Understand Special District Laws to be held August 24, 2017 in Port Hueneme.
- 51) CSDA Webinar: Maximize Your Membership-Online Resources to be held September 1, 2017.
- 52) CSDA Building Your District Strong-Principles for Sustained Success Pre-Conference Activity to be held September 25, 2017 in Monterey.

- 53) CSDA 2017 Annual Conference & Exhibitor Showcase to be held September 25 – 28, 2017 in Monterey.
- 54) CSDA Webinar: CalPERS-Actuarial Reports and Trends to be held October 11, 2017.
- 55) WEF Northern California Tour 2017 Field Trip to be held October 11 – 13, 2017.
- 56) CSDA Board Secretary/Clerk Conference and Certificate Program to be held October 22 – 24, 2017 in Garden Grove.
- 57) WEF San Joaquin River Restoration Tour 2017 to be held November 1 – 2, 2017.
- 58) ACWA 2017 Fall Conference & Exhibition to be held November 28 – December 1, 2017 in Anaheim.

After a brief discussion of these conferences, not all conferences being attended, and of annual budgeting for conference attendance, it was moved by Director Mac Laren and seconded by Director Dino to approve Board and staff attendance at the following conferences, seminars, and training sessions within budget amounts previously approved in the 2017 budget: Palmdale Chamber of Commerce 76th Annual Installation Gala to be held January 13, 2017 at Rancho Vista Golf Club; California Special Districts Association (CSDA) Webinar: Brown Act-Principles, Traps, and Violations to be held January 18, 2017; CSDA Board Member Best Practices Workshop to be held January 19, 2017 in Claremont for the Southern Network; CSDA Webinar: Required Harassment Prevention for Staff/Board to be held January 24, 2017 and June 6, 2017; CSDA Webinar: Rules of Order Made Easy! to be held January 26, 2017; CSDA Webinar: Maximize Your Membership-Benefits to be held January 27, 2017; CSDA Proposition 26, Proposition 218 & Rate Setting Workshop to be held January 31, 2017 in Vista and March 15, 2017 in Oakland; CSDA Webinar: Recent Developments in the Public Records Act to be held January 31, 2017; CSDA Webinar: 2017 Annual Employment Law Update to be held February 2, 2017; Water Education Foundation (WEF) Water 101 to be held February 2 – 3, 2017 in West Sacramento; CSDA Webinar: Understanding Board Member & District Liability to be held February 8, 2017; CSDA Webinar: Maximize Your Membership-Legislative/Outreach to be held February 10, 2017; CSDA Webinar: Sustainability Best Practices to be held February 15, 2017; CSDA HR Boot Camp for Special Districts to be held February 21, 2017 in Rancho Cucamonga and August 9, 2017 in Vallejo; CSDA Webinar: Who Does What? Best Practices in Board/Staff to be held February 22, 2017; CSDA Special District Leadership Academy to be held February 26 – March 1, 2017 in La Jolla; April 23 – 26, 2017 in San Luis Obispo; and July 9 – 12, 2017 in Napa; CSDA Webinar: Financing Mission Critical Infrastructure to be held March 1, 2017; CSDA Webinar: Best Practices in Agenda Prep & Taking

Minutes to be held March 7, 2017; CSDA Financial Management for Special Districts to be held March 8, 2017 in Rancho Cucamonga and August 10, 2017 in Vallejo; Association of California Water Agencies (ACWA) 2017 Legislative Symposium to be held March 8, 2017 in Sacramento; WEF Central Valley Tour 2017 Field Trip to be held March 8 – 10, 2017; CSDA Webinar: Required Ethics AB1234 Compliance Training to be held March 16, 2017 and November 8, 2017; CSDA Supervisory Skills for the Public Sector to be held March 20, 2017 in Marina and April 11, 2017 in Vista; CSDA Hammering Out a Framework: Construction and Business Matters to be held March 23, 2017 in Fountain Valley; WEF 2017 Executive Briefing to be held March 23, 2017 in Sacramento; CSDA So You Want to be a General Manager to be held March 27, 2017 in Sacramento; SDRMA Safety/Claims Education Day to be held March 28, 2017 in Sacramento; CSDA Legislative Round-Up to be held March 30, 2017 and August 31, 2017; CSDA Webinar: How-To-Do-It for Special Districts w/Revenue Needs to be held April 4, 2017; WEF Lower Colorado River Tour 2017 Field Trip to be held April 5 – 7, 2017; CSDA Webinar: Leveraging Your State and Federal Relationships to be held April 6, 2017; CSDA Webinar: Public Engagement and Budgeting to be held April 19, 2017; WEF Headwaters Tour 2017 Field Trip to be held April 27 – 28, 2017; CSDA Webinar: How to Find, Apply, and Secure Grant Funding to be held May 11, 2017; ACWA 2017 Spring Conference & Exhibition to be held May 9 – 12, 2017 in Monterey; CSDA 2017 Special Districts Legislative Days to be held May 16 – 17, 2017 in Sacramento; CSDA Webinar: Governments Engaging Youth to be held May 23, 2017; WEF Santa Ana River Watershed Conference to be held May 25, 2017 in Ontario; CSDA Webinar: Beyond the Basics: Implementing Funding to be held May 24, 2017; CSDA Webinar: Anatomy of a CalPERS Audit-What to Know Now to be held May 25, 2017; CSDA Webinar: Ask the Experts-Energy Project Financing to be held June 9, 2017; WEF Bay-Delta Tour 2017 Field Trip to be held June 14 – 16, 2017; CSDA General Manager Leadership Summit to be held June 25 – 27, 2017 in Newport Beach; ESRI 2017 User Conference to be held July 10 – 14, 2017 in San Diego; CSDA Webinar: Records Retention & Management in Electronic Age to be held July 20, 2017; International Water Association International Conference on Water Reclamation and Reuse to be held July 23 – 27, 2017 in Long Beach; CSDA Webinar: How to Communicate Effectively Using Online Tools to be held July 27, 2017; CSDA The Art of the Message to be held August 15, 2017 in Sacramento; CSDA Webinar: Fraud Environment-Tips for Detection and Controls to be held August 17, 2017; CSDA Staying in Compliance: Understand Special District Laws to be held August 24, 2017 in Port Hueneme; CSDA Webinar: Maximize Your Membership-Online Resources to be held September 1, 2017; CSDA Building Your District Strong-Principles for Sustained Success pre-conference activity to be held September 25, 2017 in Monterey; CSDA 2017 Annual Conference & Exhibitor Showcase to be held September 25 – 28, 2017 in Monterey; CSDA Webinar: CalPERS-Actuarial Reports and Trends to be

held October 11, 2017; WEF Northern California Tour 2017 Field Trip to be held October 11 – 13, 2017; CSDA Board Secretary/Clerk Conference and Certificate Program to be held October 22 – 24, 2017 in Garden Grove; WEF San Joaquin River Restoration Tour 2017 to be held November 1 – 2, 2017; and ACWA 2017 Fall Conference & Exhibition to be held November 28 – December 1, 2017 in Anaheim.

Ms. Joanne Granai, Palmdale resident, then questioned cost, rate of return, and some conferences considered as perks and stated that she appreciates the cuts the Board made and requested public attendance at their own cost at any of these conferences under the District's memberships after which General Manager LaMoreaux referred the public to the agenda packet and the websites for CSDA, ACWA, and Water Education Foundation for detailed conference information and stated that not all conferences will be attended.

The motion was then unanimously carried by all members of the Board of Directors present at the meeting.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Henriquez reported that on January 9, he attended a Board briefing with General Manager LaMoreaux and that on January 10, he attended the Finance Committee meeting where they discussed the items considered earlier this evening, as well as other items.

Director Mac Laren reported that on December 15, she attended the Antelope Valley Watermaster Advisory, or Public Water Suppliers' Steering Committee meeting; that on December 19, she attended the Antelope Valley Watermaster meeting; that on December 21, she attended the Palmdale Recycled Water Authority meeting where they took action to retain Helen Velador as the fifth public member of that Board; that on January 9, she attended the Personnel Committee meeting where they discussed items considered earlier this evening and keeping balance with employees; that also on January 9, she attended a Board briefing with General Manager LaMoreaux; that on January 10, she attended the Finance Committee; and that on January 11, she is attending the Palmdale Water District Board Meeting.

Director Dino reported that on January 5, he attended the AVEK Board meeting where they installed Directors Gary Van Dam and Justin Lane; that on January 9, he attended a Board briefing with General Manager LaMoreaux; that also on January 9, he attended the Personnel Committee meeting; that on January 10, he attended the Finance Committee meeting; and that on January 11, he is attending the Palmdale Water District Board meeting.

President Alvarado reported that January 3, he attended an agenda review and approval meeting with General Manager LaMoreaux and Executive Assistant Deans; that on January 4, he attended the Palmdale City Council meeting where they approved Helen Velador as the public Board member of the Palmdale Recycled Water Authority; that on January 9, he attended a Board briefing with General Manager LaMoreaux; that on January 10, he attended the Finance Committee meeting; that also on January 10, he attended the Antelope Valley Film Council meeting; and that also on January 10, he attended a Founder's Day meeting where they discussed a July 16 Founder's Day event pending approval by the Palmdale City Council.

b) Standing Committee/Assignment Reports (Chair):

1) Personnel Committee

2) Finance Committee

President Alvarado stated that reports on these meetings were provided earlier in the meeting.

8.2) Report of General Manager.

General Manager LaMoreaux reported that wet conditions in central and northern California have created a 200% above normal rainfall total; that this could increase the District's State Water Project allocation, which is now at 45%; that rainfall in central California should assist with storage on the south side of the Delta for better insurance of deliveries; that a letter to the editor in today's A.V. Press expressed concern regarding rain and the drought, and he addressed this customer's concerns directly; and that next Wednesday, the State Water Resources Control Board will hold a workshop regarding the current Emergency Drought Order, which ends January 31, 2017, and changes could be made to the District's current water conservation practices based on the outcome followed by discussion of annual snowpack, increasing the District's State

Water Project allocation above 45%, water accumulation in Littlerock Reservoir, cloud seeding, breaching of the Delta and levees in Sacramento, and atmospheric rivers.

8.3) Report of General Counsel.

General Counsel Dunn stated that he has no report.

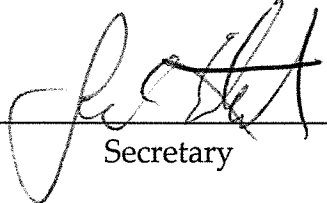
9) Board Members' Requests for Future Agenda Items.

Director Mac Laren requested an update on the formation of a Public Advisory Committee be provided at a future meeting.

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 8:53 p.m.


Secretary

RESOLUTION NO. 17-1

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE PALMDALE WATER DISTRICT
AUTHORIZING DIRECTORS TO REVISE HEALTH INSURANCE OPTIONS
WITHIN 2017 BUDGET AMOUNTS**

WHEREAS, the governing body of the Palmdale Water District approved a 2017 Budget on November 22, 2016 including a Directors' budget of \$22,000.00 for each Director to cover the cost of Directors' fees, health insurance, and Director's travel, seminars, and meetings. Up to \$1,600.00 per month will be available for health insurance. Health insurance elections may only be changed annually at Open Enrollment, absent a Qualifying Event.

WHEREAS, Directors may wish to change health insurance options based on the new policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Palmdale Water District authorizes Directors to revise health insurance elections, effective January 1, 2017, communicated in writing to the District by January 20, 2017.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Board of Directors of Palmdale Water District held on January 11, 2017.



Robert Alvarado, President
Palmdale Water District



Vincent Dino, Vice President
Palmdale Water District

Approved As To Form:



Eric Dunn
General Counsel

RESOLUTION No. 17-2
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
APPROVING THE DISTRICT'S GRANT APPLICATION FOR THE
PALMDALE REGIONAL GROUNDWATER
RECHARGE AND RECOVERY PROJECT FOR
THE U.S. BUREAU OF RECLAMATION'S
WATERSMART FEASIBILITY STUDIES UNDER TITLE XVI
WATER RECLAMATION AND REUSE PROJECT FOR FISCAL YEAR 2017

WHEREAS, the United States Department of Interior, Bureau of Reclamation (the "Bureau") has established the WaterSMART: Development of Feasibility Studies under the Title XVI Water Reclamation and Reuse Program for 2017 (the "WaterSMART Program") to provide funding opportunities for entities seeking new water supplies using water recycling and reuse technologies;

WHEREAS, the Palmdale Water District has need for funding to complete a feasibility level study of using recycled water to meet future municipal and industrial water needs, particularly for the Palmdale Regional Groundwater Recharge and Recovery Project (the "Project");

WHEREAS, the WaterSMART Program requires at least 50 percent non-Federal cost share funding and/or in-kind contribution from applicants, and the Board finds the District has the capability of funding its required share of the Project under its current Budget for 2017.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Funding for the Palmdale Regional Groundwater Recharge and Recovery Project (the "Project") under the WaterSMART Grant Program meets the objectives of Strategic Initiative # 1 – Water Resource Reliability.

SECTION 2. If selected for a WaterSMART Grant, up to 66.7% (\$50,034) of the total project costs of \$75,000 through in-kind services shall be committed for funding the District's proportionate share of the Project, as may be required by the Bureau of Reclamation under the WaterSMART Grant Program, and the District will work with the Bureau to meet established deadlines for entering into an agreement to commit such funds.

PASSED, APPROVED AND ADOPTED THIS: 11th day of January, 2017.



Robert Alvarado, President
Board of Directors
Palmdale Water District



Vincent Dino, Vice President
Board of Directors
Palmdale Water District



Aleshire & Wynder, LLP
District Legal Counsel

**RESOLUTION No. 17-3
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
APPROVING THE DISTRICT'S GRANT APPLICATION FOR A
LANDSCAPE WATER USE EFFICIENCY PROJECT FOR
THE U.S. BUREAU OF RECLAMATION'S
WATERSMART GRANTS SMALL SCALE WATER EFFICIENCY
PROJECTS FOR FISCAL YEAR 2017**

WHEREAS, the United States Department of Interior, Bureau of Reclamation (the "Bureau") has established the WaterSMART: Small-Scale Water Efficiency Projects Program for 2017 (the "WaterSMART Program") to provide funding opportunities for entities seeking new water supplies using water efficiency technology;

WHEREAS, the Palmdale Water District has need for funding to complete a Landscape Water Use Efficiency Project to meet future municipal and industrial water needs;

WHEREAS, the WaterSMART Program requires at least 50 percent non-Federal cost share funding and/or in-kind contribution from applicants and the Board finds the District has the capability of funding its required share of the Project under its current Budget for 2017.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Funding for the Landscape Water Use Efficiency Project (the "Project") under the WaterSMART Grant Program meets the objectives of Strategic Initiative # 1 – Water Resource Reliability.

SECTION 2. If selected for a WaterSMART Grant, up to 50% (\$75,000) of the total project costs of \$150,000 through monetary contribution shall be committed for funding the District's proportionate share of the Project, as may be required by the Bureau of Reclamation under the WaterSMART Grant Program, and the District will work with the Bureau to meet established deadlines for entering into an agreement to commit such funds.

PASSED, APPROVED AND ADOPTED THIS 11th day of January 2017.



Robert Alvarado, President
Board of Directors
Palmdale Water District



Vincent Dino, Vice President
Board of Directors
Palmdale Water District



Aleshire & Wynder, LLP
District Legal Counsel