

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, NOVEMBER 13, 2018:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, November 13, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. President, Vincent Dino, called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Dino, Director Alvarado led the pledge of allegiance followed by a moment of silence.

2) Roll Call.

Attendance:

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

Joe Estes, Secretary --
ABSENT

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
Alondra Espinosa, Assistant General Counsel
Don Wilson, PWD Director-elect
Mike Williams, Finance Manager
Judy Shay, Public Affairs Director
Jim Riley, Engineering/Grant Manager
Jennifer Emery, Human Resources Director
Mynor Masaya, Operations Manager
Jim Stanton, Information Technology Manager
Chris Bligh, Facilities Manager
Tara Peuse, Customer Care Supervisor
Dennis Hoffmeyer, Accounting Supervisor
Bob Egan, Financial Consultant
Dawn Deans, Executive Assistant
2 members of the public

3) Adoption of Agenda.

It was moved by Director Alvarado, seconded by Director Mac Laren, 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.

There were no public comments.

5) Presentations:

5.1) None at This Time.

There were no presentations.

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 October 22, 2018.

6.2) Payment of Bills for November 13, 2018.

6.3) Deny Claim Received From Norma and Peter Rios of Water Usage and Plumbing Bill for Account No. 44136056-1012646. (General Manager LaMoreaux)

6.4) Approve Absence of Director Estes From October 22, 2018 Regular Board Meeting Due to Medical Reasons. (General Counsel Dunn)

6.5) Approve Absence of Director Estes From November 5, 2018 Special Budget Meeting Due to Medical Reasons. (General Counsel Dunn)

President Dino announced the items included in the Consent Calendar after which it was moved by Director Mac Laren, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar.

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

7.1) Consideration and Possible Action on 2019 Annual Budget. (General Manager LaMoreaux)

General Manager LaMoreaux stated that as requested at the Special Budget Meeting, staff has attempted to contact Director Estes regarding his participation at tonight's Board meeting either in person or remotely but did not receive a response.

Finance Manager Williams provided a detailed overview of the 2019 Budget, including the number of draft budgets prepared; operating revenue; operating expenses; reductions made of nearly \$3 million from the first to the fourth drafts, including reductions made by General Manager LaMoreaux, Assistant General Manager Ly, and Department Managers in personnel costs, operating expenses, and the amount available for capital projects; and then provided an overview of 2018 acquisitions of property, plant, and equipment and needed projects, studies, replacement equipment, general projects, replacement capital, and new capital for 2019 followed by discussion of the Littlerock Sediment Removal Project.

Financial Advisor Egan stated that the Finance Committee unanimously recommends approval of the 2019 Budget and continues to monitor finances on a monthly basis and then provided a detailed overview of cash flow and reserves stressing the importance of maintaining reserves and the need to continue water rate adjustments to address increasing expenses out of the District's control followed by discussion of projected water sales, the improved budget process, and approving water rates as recommended in the upcoming Water Rate Study for a five-year period rather than annually to further assist in the budget process.

It was then moved by Director Alvarado and seconded by Director Mac Laren to approve the 2019 Annual Budget as presented.

Ms. Joanne Granai, Palmdale resident, thanked the Board, staff, and the Finance Committee for their thorough review of the 2019 Budget and stated that the ratepayers appreciate the savings and understand rate increases and adjustments are necessary as expenses increase and then recommended the Board continue to broadcast Board meetings live on Facebook.

Director Henriquez then congratulated President Dino on his re-election to the Division 5 seat and Don Wilson on his election to the Division 2 seat after which the motion unanimously carried by all members of the Board of Directors present at the meeting.

7.2) Consideration and Possible Action on 2018 Salary Survey. (Included in 2019 Budget – Human Resources Director Emery/General Manager LaMoreaux/Personnel Committee)

Human Resources Director Emery provided an overview of the 2018 Salary Survey, which is performed every three years, including staff's current salary range, market salaries, recommended staff salary ranges, and recommended 2019 personnel-related changes for the Information Technology and Water Conservation Departments, and after a brief discussion of the survey, of succession planning, and of the Personnel Committee's recommendation to approve this item, it was moved by Director Alvarado, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve the 2018 Salary Survey.

7.3) Consideration and Possible Action on Revisions to Palmdale Water District Rules and Regulations Article 4.07.4 – Director Expenses Clarifying Hotel Expenses. (Director Henriquez/General Counsel Dunn)

Director Henriquez stated that his proposed revisions are not targeted at specific Directors but are for clarification purposes, and after a brief discussion of the recommended revisions and of clarification of distance and travel time to conferences, it was moved by Director Mac Laren, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve revisions to Palmdale Water District Rules and Regulations Article 4.07.4 – Director Expenses, as amended, deleting any revisions regarding reimbursement of hotel costs.

7.4) Consideration and Possible Action on Revisions to Palmdale Water District Rules and Regulations Article 4.07.3 -Director Compensation and Article 4.07.4 – Director Expenses Clarifying Time Limits to Claim Compensation or Expenses. (No Budget Impact – Director Mac Laren/General Counsel Dunn)

Director Mac Laren stated that these revisions will ensure timely reimbursement for compensation and expenses and will assist staff with monthly and yearly financial reports, and after a brief discussion of AB 1234 requirements and of the timely submission and payment for compensation and expenses, it was moved by Director Mac Laren, seconded by Director Henriquez, and unanimously carried by all members of the Board of Directors present at the meeting to approve revisions to Palmdale Water District Rules and Regulations Article 4.07.3 – Director Compensation and Article 4.07.4 – Director Expenses Clarifying Time Limits to Claim Compensation or Expenses, as presented.

President Dino then stated that he looks forward to having a full Board with the start of the new year.

7.5) 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 2019 Budget:

a) California Association of Public Information Officials' Emergency Communications Academy to be Held January 7 and 8, 2019 in Sacramento.

After a brief discussion of this conference, it was moved by Director Mac Laren, seconded by Director Alvarado, and unanimously carried by all members of the Board of Directors present at the meeting to approve the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2019 Budget: California Association of Public Information Officials' Emergency Communications Academy to be held January 7 and 8, 2019 in Sacramento.

8) Information Items:

8.1) Reports of Directors:

a) Meetings/General Report.

Director Alvarado reported that on November 1, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding the Special Budget meeting; that on November 5, he attended the Special Budget meeting; that on November 7, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding tonight's meeting; that also on November 7, he attended the Special Finance Committee meeting; that on November 8, he attended the swearing-in ceremony for the Littlerock Town Council where they requested speakers from the District to present information on water-related matters; and that on November 13, he is attending the Palmdale Water District Regular Board meeting, where the budget was considered.

Director Mac Laren reported that on October 24, she attended the Antelope Valley Watermaster meeting; that also on October 24, she attended the Ad Hoc Antelope Valley State Water Contractors Association Strategic Planning meeting; that on November 5, she attended the Special Budget meeting; that on November 8, she attended the Personnel Committee meeting; that also on November 8, she attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting; and that also on November 8, she attended the swearing-in ceremony for the Littlerock Town Council.

Director Henriquez reported that on October 25, he attended the Finance Committee meeting; that on October 31, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding the Special Budget meeting; that on November 5, he attended the Special Budget meeting; that on November 7, he attended the Special Finance Committee meeting where they recommended approval of the 2019 Budget presented this evening; and that also on November 7, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting.

President Dino reported that on November 1, he attended a Board briefing with General Manager LaMoreaux and Assistant General Manager Ly regarding the Special Budget meeting; that on November 5, he attended the Special Budget meeting; that on November 8, he attended the Personnel Committee meeting; that also on November 8, he attended a Board briefing with General Manager LaMoreaux regarding tonight's meeting; and that on November 13, he is attending the Palmdale Water District Regular Board meeting.

b) Standing Committee/Assignment Reports (Chair):

- 1) Finance Committee Meeting.**
- 2) Personnel Committee Meeting.**

There were no further reports on Standing Committee/Assignments.

8.2) Report of General Manager.

General Manager LaMoreaux stated that the City of Palmdale is hosting a groundbreaking ceremony for the Upper Amargosa Recharge Project on November 15 at 9 a.m., and the Board and staff are invited to attend

8.3) Report of General Counsel.

Assistant General Counsel Espinosa provided a brief update on SB 929, which requires all special districts to maintain a website as of January 2020.

9) Public Comments on Closed Session Agenda Matters.

There were no public comments on closed session agenda matters.

10) Break Prior to Closed Session.

At 7:25 p.m., President Dino called for a six-minute recess. He reconvened the Regular Board meeting at 7:31 p.m.

11) Closed Session Under:

11.1) Conference with Legal Counsel – Existing Litigation: A Closed Session Will be Held, Pursuant to Government Code §54956.9 (d)(1), to Confer with Special Litigation Counsel Regarding Existing Litigation to Which the District is a Party. The Title of Such Litigation is as Follows: *Antelope Valley Ground Water Cases*.

At 7:31 p.m., President Dino called for a closed session pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel via teleconference regarding existing litigation to which the District is a party, the title of such litigation being: *the Antelope Valley Ground Water Cases*. He reconvened the regular Board meeting at 7:41 p.m.

12) Public Report of Any Action Taken in Closed Session.

President Dino stated that a closed session was held pursuant to Government Code §54956.9 (d)(1), to confer with Special Litigation Counsel via teleconference regarding existing litigation to which the District is a party, the title of such litigation being: *the Antelope Valley Ground Water Cases* but that no reportable action was taken in closed session.

13) Board Members' Requests for Future Agenda Items.

Director Alvarado requested staff review the feasibility of videotaping Regular Board meetings at no cost to the District.

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 7:43 p.m.


Assistant Secretary