

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, JULY 27, 2020:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, July 27, 2020, 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 Mac Laren led the pledge of allegiance followed by a moment of silence.

2) Roll Call.

Attendance:

Vincent Dino, President (via teleconference)
Kathy Mac Laren, Vice Pres. (via teleconference)
Gloria Dizmang, Treasurer (via teleconference)
Don Wilson, Secretary
Robert Alvarado, Assistant
Secretary (via teleconference)

Others Present:

Dennis LaMoreaux, General Manager
Eric Dunn, General Counsel (via teleconf.)
Adam Ly, Assistant General Manager (via teleconf.)
Mike Williams, Finance Manager (via teleconf.)
Judy Shay, Public Affairs Director (via teleconf.)
Chris Bligh, Facilities Manager (via teleconf.)
Jennifer Emery, Human Res. Dir. (via teleconf.)
Claudia Bolanos, Res./Analyt. Spvsr. (via teleconf.)
Bob Egan, Financial Advisor (via teleconf.)
Dawn Deans, Executive Assistant (via teleconf.)
2 members of the public

3) Adoption of Agenda.

It was moved by Director Alvarado, seconded by Director Dizmang, and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to adopt the agenda, as written:

President Dino – aye
Director Mac Laren – aye
Director Dizmang – aye
Director Wilson – aye
Director Alvarado - aye

4) Public Comments for Non-Agenda Items.

There were no public comments for non-agenda items.

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 July 13, 2020.

6.2) Payment of Bills for July 27, 2020.

6.3) Approval of Resolution No. 20-9 Approving the Antelope Valley State Water Contractors Association Budget for Fiscal Year 2020/2021. (\$14,386.00 – Budgeted – Budget Item No. 1-02-5070-011 – Resource and Analytics Director/AVSWCA General Manager Thompson II)

6.4) Approval of Statement of Work between the District and Ernst & Young for 2020-2021 State Water Project Procedures to be Performed Related to the Department of Water Resources' 2021 Statement of Charges. (\$9,192.00 not-to-exceed – Budgeted – Budget Item No. 1-02-4150-000 – General Manager LaMoreaux)

President Dino announced the items included in the Consent Calendar after which it was moved by Director Dizmang, seconded by Director Mac Laren, and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to approve those items included in the Consent Calendar:

President Dino – aye
Director Mac Laren – aye
Director Dizmang – aye
Director Wilson – aye
Director Alvarado – aye

Resolution No. 20-9 is hereby made a portion of the minutes of 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) Presentation, Consideration, and Possible Action on Receiving and Filing of 2019 Annual Financial Report. (Finance Manager Williams/Paul Kaymark, Nigro & Nigro/Finance Committee)

Finance Manager Williams provided an overview of the District's financial position for 2019, including the net position, operating revenues, operating expenses, water sales trends, and assessed valuation and stated that staff and the Finance Committee recommend the Board receive and file the 2019 Annual Financial Report after which Financial Advisor Egan and Mr. Paul Kaymark, of Nigro & Nigro, reviewed the District's positive operating position.

After a brief discussion of the 2019 Annual Financial Report, it was moved by Director Alvarado, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present at the meeting on the following roll call vote to receive and file the 2019 Annual Financial Report:

President Dino – aye
Director Mac Laren – aye
Director Dizmang – aye
Director Wilson – aye
Director Alvarado – aye

Director Wilson then requested a meeting with Financial Advisor Egan to gain a further understanding of the District's financial reports.

7.2) Discussion and Review of Palmdale Water District's Rules and Regulations Article 8.07: Water Conservation, B.1 – Rebate Programs – Water-wise Landscape Conversion Program. (No Budget Impact – Director Alvarado/Resource and Analytics Supervisor Bolanos)

Resource and Analytics Supervisor Bolanos stated that Director Alvarado requested the District's Water-wise Landscape Conversion Program be expanded to include backyards; that staff has discussed this possibility and has reviewed grant requirements; and then requested input from the Board regarding this option, and after

a brief discussion, the Board concurred with expanding the Water-wise Landscape Conversion Program in 2021 to include backyards.

Resource and Analytics Supervisor Bolanos then stated that staff will revise the Program to include backyards, revise the Rules and Regulations and applications for this Program, and present this item to the Board for consideration at a future meeting.

7.3) 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 2020 Budget:

a) Building Industry Association 2020 Southern California Water Conference to be Held August 14, 2020 Online.

After a brief discussion, 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 on the following roll call vote to authorize the following conferences, seminars, and training sessions for Board and staff attendance within budget amounts previously approved in the 2020 Budget: Building Industry Association 2020 Southern California Water Conference to be held August 14, 2020 online:

President Dino – aye
Director Mac Laren – aye
Director Dizmang – aye
Director Wilson – aye
Director Alvarado – aye

8) Information Items:

8.1) Financial Reports:

a) Status Report on Cash Flow Statement and Current Cash Balances as of June 2020. (Financial Advisor Egan/Finance Committee)

Financial Advisor Egan provided an overview of the June Quarterly Activity Report and Investment Funds Report, including assessments received, which are tracking higher than expected, and Capital Improvement Funds received, and then reviewed the Cash Flow Statement, including payments for Butte County and the

Upper Amargosa Recharge Project, the projected year-end balance, and carry-over projects for 2021.

b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for June 2020. (Finance Manager Williams/Finance Committee)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement and trends, and revenue and expense analysis reports for the period ending June 2020 and stated that most departments are operating at or below the targeted expenditure percentage of 50%, with revenue and expenses tracking equally.

c) Status Report on Committed Contracts issued. (Finance Manager Williams/Finance Committee)

Finance Manager Williams provided an overview of the Contractual Commitments and Needs Report for new and replacement capital projects, consulting and engineering support projects, new and replacement equipment, water quality fee funded projects, committed and projected capital expenditures, and the payout summary for the Water Revenue Bond Series 2018A through June 2020.

d) Other Financial Reports. (Finance Manager Williams/Finance Committee)

a) The Effect of COVID-19 Event.

Finance Manager Williams stated that due to COVID-19 events, collection efforts were stopped March 17, 2020 through June 9, 2020; that mailing of reminder late notice bills with no shut-off dates resumed June 9, 2020; that there will be no disconnections for non-payment of bills; that as of May 31, approximately \$95,805 in penalties have been deferred for billings from February through April; that as of June 30, there were 653 single family accounts with a balance of \$50 or more and over sixty days past due with a total past due amount of \$220,780 compared to 831 accounts at May 31 with an outstanding balance of \$227,644 indicating customers are beginning to pay past-due accounts; and that bills are being paid but at a slower pace.

b) Rate Assistance Program Status.

He then stated that as of June 30, there were 738 participants in the Rate Assistance Program with 390 being seniors, seven veterans, and 341 low income.

c) Billing and Collection Statistics.

He then stated that through May 2020, there is a slight increase in bills issued but a slight decrease in notices mailed compared to May 2019.

d) Revenue Projections.

He then stated that revenue through June is ahead of projections by approximately \$480,000.00.

e) Accounts Receivable Aging Report.

He then stated that the aging report shows receivables at June 30, 2020 are approximately \$457,000 higher than June 30, 2019; that comparing June 30, 2020 to June 30, 2019, there has been an increase in sixty-day delinquencies of approximately \$61,000; that there is a decrease in delinquencies from May 31 to June 30 of approximately \$16,000; but that there is an increase of approximately \$11,000 in ninety-day delinquencies.

f) Payment Transactions by Type.

He then stated that as of the second quarter, there has been a reduction in total payments of approximately 6,000 due to COVID-19 and the lobby being closed but that there is a 10,000 increase in electronic payments.

8.2) Reports of Directors:

a) Meetings; Standing Committee/Assignment Reports; General Report.

Director Alvarado reported that on July 16, he attended a weekly briefing; that on July 17 he attended a briefing with Dr. Mathis; that on July 20, he attended the Palmdale Recycled Water Authority meeting via teleconference; that also on July 20, he attended a briefing with the Fin and Feather Club; that on July 23, he attended a Board briefing; that also on July 23, he attended the Antelope Valley Partners COVID-19

Meeting with the City; that on July 28, he will be attending the Strategic Plan Special Meeting Workshop; and that on July 30, he will be attending a weekly briefing.

Director Mac Laren reported that on June 16, she attended a Public Water Suppliers meeting via teleconference; that on July 8, she attended the Resource and Facilities Committee meeting; that on July 22, she attended the Watermaster Meeting; that on July 23, she attended a briefing; that on July 26, she attended a Water Reuse Conference; and that on July 27, she attended the ACWA/JPIA meeting via teleconference.

She then reported as Chair of the Resource and Facilities Committee that in addition to the item forwarded to the full Board for consideration, the Committee also approved a contract with Kyle Groundwater for the Well No. 36 Pre-Design Report, approved a contract with Stantec Consulting Services, Inc. for the preparation of a Surface Water Augmentation Feasibility Study, approved the execution of Change Order No. 2 to the contract with Stevens Construction for the recent office remodel, and received updates on 2020 planned projects, State Water Project allocation use, the Water Conservation and Education Garden, the Littlerock Sediment Removal and Palmdale Regional Recharge and Recovery Projects, and the purchase of a water truck.

Director Dizmang reported that on July 13, she attended the Palmdale Water District Regular Board Meeting; that on July 17, she attended a meeting with Dr. Mathis; that on July 20, she attended a briefing; that on July 23, she attended a briefing; that also on July 23, she attended the Finance Committee meeting; that on July 27, she is attending the Palmdale Water District Regular Board Meeting; that on July 28, she will be attending the Strategic Plan Special Meeting Workshop; that on July 29 and 30, she will be attending the ACWA Conference via teleconference; and that on July 30, she will be attending a briefing.

She then reported that as Chair of the Finance Committee, the items discussed at the meeting were reviewed earlier this evening and that the next Finance Committee meeting is scheduled for August 20, 2020 at 1:00 p.m.

Director Wilson reported that on July 17, he attended a conference call with Dr. Mathis; that on July 20, he attended the Palmdale Recycled Water Authority meeting via teleconference; that on July 23, he attended the Finance Committee meeting; that also on July 23, he attended a briefing; that on July 27, he is attending the Palmdale Water District Regular Board Meeting; and that on July 29 and 30, he will be attending the ACWA Conference via teleconference.

President Dino reported that on July 14, he attended an AVEK Board meeting; that on July 16, he attended an update briefing via teleconference; that on July 17, he attended a conference call with Dr. Mathis regarding the Strategic Plan Workshop; that on July 20, he attended the Palmdale Recycled Water Authority meeting; that on July 21, he attended an Agenda Review and Approval meeting; that on July 23, he attended a Board briefing; that on July 27, he is attending the Palmdale Water District Regular Board Meeting; that on July 28, he will be attending the Strategic Plan Special Meeting Workshop; and that on July 30, he will be attending an update briefing.

8.3) Report of General Manager.

a) July 2020 Written Report of Activities Through June 2020.

General Manager LaMoreaux stated that he included a written report with the agenda packets if there are any questions on same and then highlighted from the report the District's accumulated groundwater rights in the Antelope Valley adjudicated basin, precipitation to date being 63% of normal, increased customer water use and production, the Delta Conveyance Facility, formerly the California Water Fix, 23 main line leaks, the upcoming recommendation to the Board regarding the issuance of new water meters, and the upcoming virtual session 3 for the Water Ambassadors Academy followed by discussion of the District's participation and capacity in the Delta Conveyance Facility, changes in benefit costs noted in the ACWA/JPIA meeting held early today, and the status of the purchase of the water truck.

8.3) Report of General Counsel.

General Counsel Dunn introduced Alexis Hall, from Palmdale, who is working for their firm as an intern and is interested in local agencies and water issues.

9) Board Members' Requests for Future Agenda Items.

There were no requests for future agenda items.

10) Adjournment.

There being no further business to come before the Board, the meeting was adjourned at 7:15 p.m.


Secretary

RESOLUTION NO. 20-9

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE PALMDALE WATER DISTRICT
APPROVING ANTELOPE VALLEY
STATE WATER CONTRACTORS ASSOCIATION
BUDGET FOR FISCAL YEAR 2020/2021**

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

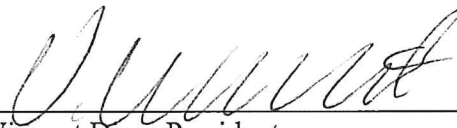
WHEREAS, said Joint Powers Agreement provides for the formulation and adoption of a budget for the Antelope Valley State Water Contractors Association and approval of said budget by its members; and

WHEREAS, the Antelope Valley State Water Contractors Association unanimously adopted a budget for fiscal year 2020/21 at their regular meeting held July 9, 2020 which 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 2020/21 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. 20-9 as passed by the Board of Directors of the Palmdale Water District at its meeting held July 27, 2020 in Palmdale, California.

Date: July 27, 2020



Vincent Dino, President,
Board of Directors

ATTEST:



Don Wilson, Secretary, Board of Directors

APPROVED AS TO FORM:

BY: 

Aleshire & Wynder, LLP, General Counsel