

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT, APRIL 22, 2024:

A regular meeting of the Board of Directors of the Palmdale Water District was held Monday, April 22, 2024, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District Office. President, Kathy Mac Laren-Gomez, called the meeting to order at 6:00 p.m.

1) Pledge of Allegiance/Moment of Silence.

At the request of President Mac Laren-Gomez, Director Kellerman led the Pledge of Allegiance followed by a moment of silence in honor of our troops.

2) Roll Call.

Attendance:

Kathy Mac Laren-Gomez, President
Scott Kellerman, Vice President
Don Wilson, Treasurer
Vincent Dino, Secretary
Cynthia Sanchez, Assistant Secretary

Others Present:

Dennis LaMoreaux, General Manager
Adam Ly, Assistant General Manager
Pam Lee, General Counsel
Judy Shay, Public Affairs Director
Dennis Hoffmeyer, Finance Manager
Wendell Wall, Facilities Manager
Joe Marcinko, Operations Manager
Bob Egan, Financial Advisor
Robert Rosati, Water Use Efficiency Specialist I
Maria Avelar, Water Use Efficiency Specialist I
Patricia Guerrero, Management Analyst
43 members of the public

3) Adoption of Agenda.

It was moved by Director Dino, seconded by Director Wilson, 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.

Mrs. Deborah Dino, Palmdale resident and representative of the Antelope Valley Fairgrounds and Events Center, provided a brief statement regarding Law Appreciation Day and requested the District's support in sponsoring the event.

5) Presentations:

5.1) 2024 Water Use Efficiency Earth Day Poster Contest. (Water Use Efficiency Specialist I Avelar/Water Use Efficiency Specialist I Rosati)

Water Use Efficiency Specialist I Rosati stated that over two hundred submissions were received for the 2024 Water Use Efficiency Earth Day Poster Contest after which he announced the winners from 2nd through 8th Grade and presented each winner and teacher with certificates and gift cards and thanked them for attending.

At 6:12 p.m., President Mac Laren-Gomez called for a short recess. She reconvened the Regular Meeting at 6:15 p.m. and expressed her appreciation for the Water Use Efficiency Program.

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 Board Meeting held April 8, 2024.

6.2) Payment of Bills for April 22, 2024.

6.3) Approval to Declare District Equipment as Surplus Property. (Potential Revenue – Facilities Manager Wall/Resource and Facilities Committee)

6.4) Approval of District’s Membership in the Water Research Foundation. (\$11,360.24 – Budgeted – Budget Item No. 1-02-4165-000 – Operations Manager Marcinko)

President Mac Laren-Gomez announced the items included in the Consent Calendar, and after clarification of the correct surplus equipment item number for the Miller Arc Welder/Generator, it was moved by Director Dino, seconded by Director Kellerman, and unanimously carried by all members of the Board of Directors present at the meeting to approve those items included in the Consent Calendar, as corrected.

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 Award of Contract to RDN, Inc. for Consulting Services for Water Rate Analysis, Water Rate Structure Modifications,

and Multi-Year Water Rate Plan and Proposition 218 Process and Public Hearing Support. (\$95,880.00 – Not-to-Exceed – Budgeted – Project No. 24-403 – Finance Manager Hoffmeyer)

Finance Manager Hoffmeyer provided a detailed overview of the contracting process for the 2024 Rate Study, including the number of proposals received, the review and scoring process by management staff, the depth of experience and qualifications of each consultant relating to water budget and rate analysis, and future water budget impacts imposed by the state in 2025 and then stated that of the 3 proposals received, RDN, Inc. scored the highest at 91.16% after which it was moved by Director Kellerman, seconded by Director Wilson, and unanimously carried by all members of the Board of Directors present at the meeting to approve the award of contract to RDN, Inc. for Consulting Services for Water Rate Analysis, Water Rate Structure Modifications, and Multi-Year Water Rate Plan and Proposition 218 Process and Public Hearing Support in the not-to-exceed amount of \$95,880.00.

7.2) 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 2024 Budget:

- a) **None at This Time.**

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

8) Information Items:

8.1) Finance Reports:

- a) **Status Report on Cash Flow Statement and Current Cash Balances as of March 2024. (Financial Advisor Egan/Finance Committee)**

Financial Advisor Egan provided an overview of the monthly Major Account Activity Report, the Quarterly Major Account Activity Report, the Investment Funds Report, and the Cash Flow Statement through March 2024, including account transfers, assessments received, increased interest and market values, scheduled payments, capital improvement funds, water transfer revenues, and the healthy year-end balance.

b) Status Report on Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2024. (Finance Manager Hoffmeyer/Finance Committee)

Finance Manager Hoffmeyer provided an overview of the Balance Sheet Report, the Balance Sheet Annual Quarterly Comparison Report, the Profit and Loss Statement, the Profit and Loss Quarterly Comparisons, the departmental budgets versus actual, and individual departmental reports for the period ending March 2024 and stated that operating revenues are above the historical trend average at 21.4% and operating expenses are below the historical trend average at 18.8%.

c) Status Report on Committed Contracts Issued. (Finance Manager Hoffmeyer/Finance Committee)

Finance Manager Hoffmeyer 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 projects paid out through the 2021A and 2023A Series Water Revenue Bonds through March 2024 and stated that uncommitted funds from the 2023A Series Bond will be utilized for Well 36.

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

1) Accounts Receivable Overview.

Finance Manager Hoffmeyer provided a brief overview of outstanding balances of amounts greater than \$50.00 for accounts at sixty and ninety days past due and stated that staff is working with customers by providing payment arrangements and that as of March 31, there are twenty-two payment arrangements totaling \$18,778 with \$10,647 collected to date and that the Maravilla Foundation continues to assist several low-income accounts with state-program financial aid.

2) Revenue Projections.

He then stated that based on selling 14,500 AF of water, 2024 revenue is behind projections by approximately \$156,000 as of March 31 and that the continued precipitation in February has contributed to the decrease in water usage.

3) Payment Transactions by Type.

He then stated that electronic payments continue to be the leading payment type for 2024.

4) Billing and Collection Statistics.

There was no report on this item.

8.2) Reports of Directors:

a) Standing Committees; Organization Appointments; Agency Liaisons:

**1) Antelope Valley East Kern Water Agency (AVEK) – April 9.
(Director Dino, Board Liaison/President Mac Laren-Gomez, Alt.)**

Director Dino stated that AVEK did not hold a meeting on April 9, possibly due to the Lancaster election.

2) Resource and Facilities Committee Meeting – April 11. (Director Dino, Chair/Director Sanchez/Director Kellerman, Alt.)

Director Dino reported that on April 11, he attended the Resource and Facilities Committee Meeting and that a written report will be distributed.

3) Antelope Valley State Water Contractors Association (AVSWCA) Meeting – April 11. (President Mac Laren-Gomez, Chair/Director Wilson/Director Kellerman, Alt.)

Director Wilson reported that on April 11, he attended the AVSWCA Meeting where there was a presentation on the beginning construction of the Multi-Agency Regional Resilience Center which will serve as a large-scale emergency and evacuation center for the residents of Palmdale and Lancaster.

After a brief discussion of emergency situations and the District's role in emergencies, it was determined to add this discussion as a future agenda item.

4) Finance Committee Meeting – April 16. (Director Wilson, Chair/Director Kellerman/Director Sanchez, Alt.)

Director Wilson stated that on April 16, he attended the Finance Committee Meeting, and that a written report has been distributed.

b) General Meetings Reports of Directors.

Director Kellerman reported that on April 11, he attended the Resource and Facilities Committee Meeting; that on April 11, he also attended the Antelope Valley State Water Contractors Association Meeting; that on April 16, he attended the Finance Committee Meeting; that on April 18, he attended a Board Briefing; and that on April 20, he attended the Palmdale Fin and Feather Club Meeting.

Director Wilson reported that on April 4, he attended a Board Briefing; that on April 6, he attended the Palmdale Fin and Feather Club Meeting; that on April 16, he attended the Finance Committee Meeting; that on April 18, he attended a Board Briefing, and that on April 22, he is attending the Palmdale Water District Regular Board Meeting.

Director Sanchez reported that on that on April 10, she attended the Water Ambassadors Academy; that on April 11, she attended the Resource and Facilities Committee Meeting; that from April 15 through April 17, she attended the CSDA Leadership Academy in San Diego; that on April 17, she attended the Water Ambassadors Academy; that on April 18, she attended a Board Briefing; and that on April 20, she attended the Water Ambassadors Academy.

Director Mac Laren-Gomez reported that on April 11, she attended the Antelope Valley State Water Contractors Association Meeting and that on April 18, she attended a Board Briefing.

Director Dino reported that on April 11, he attended the Resource and Facilities Committee Meeting; that on April 15, he attended a CSDA Webinar regarding Is Your District Recession Ready; that on April 18, he attended a Board Briefing; and that on April 22, he is attending the Palmdale Water District Regular Board Meeting.

8.3) Report of General Manager.

a) April 2024 Written Report of Activities through March 2024.

General Manager LaMoreaux stated that a written report was included in the agenda packet and highlighted the Delta Conveyance Project including the updated

cost estimate and benefit cost that will be available in late May, the completed study on the economic benefits and value of the State Water Project, and the scheduled attendance of representatives from the Department of Water Resources and Delta Conveyance Design and Construction Authority at the June 10, 2024 Regular Board Meeting.

He then reported that the 2024A Series Subordinate Bond sale was successful and is scheduled to close by April 30 followed by a brief discussion of the minimal number of mainline leaks.

8.4) Report of General Counsel.

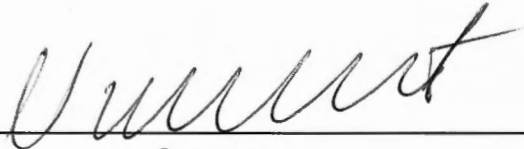
General Counsel Lee provided a brief legislative update on the Environmental Protection Agency's final rule on the first-ever national drinking water standard setting the Maximum Contaminant Levels for PFAs and "GenX Chemicals" and on the issue of homelessness in relation to the Eighth Amendment of the United States Constitution.

9) Board Members' Requests for Future Agenda Items.

The Multi-Agency Regional Resilience Center was briefly discussed after which it was determined to add this as a future agenda item.

10) Adjournment.

After a brief discussion of Law Appreciation Day and the 100th Anniversary Celebration of Littlerock Dam, the meeting was adjourned at 7:09 p.m.



Secretary