



PALMDALE WATER DISTRICT

2029 East Avenue Q • Palmdale, California 93550 • Telephone (661) 947-4111



Since 1918

Board of Directors

ROBERT E. ALVARADO
Division 1

JOE ESTES
Division 2

MARCO HENRIQUEZ
Division 3

KATHY MAC LAREN
Division 4

VINCENT DINO
Division 5

ALESHIRE & WYNDER LLP
Attorneys



June 8, 2017

*Agenda for Regular Meeting
of the Board of Directors of the Palmdale Water District
to be held at the District's office at 2029 East Avenue Q, Palmdale*

Wednesday, June 14, 2017

7:00 p.m.

NOTES: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawn Deans at 661-947-4111 x1003 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Additionally, an interpreter will be made available to assist the public in making **comments** under Agenda Item No. 4 and any action items where public input is offered during the meeting if requested at least 48 hours before the meeting. Please call Dawn Deans at 661-947-4111 x1003 with your request. (PWD Rules and Regulations Section 4.03.1 (c))

Adicionalmente, un intérprete estará disponible para ayudar al público a hacer **comentarios** bajo la sección No. 4 en la agenda y cualquier elemento de acción donde se ofrece comentarios al público durante la reunión, siempre y cuando se solicite con 48 horas de anticipación de la junta directiva. Por favor de llamar Dawn Deans al 661-947-4111 x1003 con su solicitud. (PWD reglas y reglamentos sección 4.03.1 (c))

Agenda item materials, as well as materials related to agenda items submitted after distribution of the agenda packets, are available for public review at the District's office located at 2029 East Avenue Q, Palmdale (Government Code Section 54957.5). Please call Dawn Deans at 661-947-4111 x1003 for public review of materials.

PUBLIC COMMENT GUIDELINES: The prescribed time limit per speaker is three-minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meeting will not be permitted and offenders will be requested to leave the meeting. (PWD Rules and Regulations, Appendix DD, Sec. IV.A.)

Each item on the agenda shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.

- 1) Pledge of Allegiance/Moment of Silence.
- 2) Roll Call.
- 3) Adoption of Agenda.
- 4) Public comments for non-agenda items.

- 5) Presentations:
 - 5.1) None at this time.
- 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 May 24, 2017.
 - 6.2) Payment of bills for June 14, 2017.
 - 6.3) Approval of District 2017 membership in the Water Research Foundation. (\$12,326.07 – Budgeted – Operations Manager Masaya)
 - 6.4) Approve absence of Director Estes from May 24, 2017 Board meeting due to family obligation. (General Manager LaMoreaux)
- 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 amendment to Professional Services Agreement with TruePoint Solutions regarding implementation of TrueBill Customer Information System. (\$25,000.00 – Budgeted – Finance Manager Williams)
 - 7.2) Consideration and possible action on authorization to enter into an agreement with CalPERS for their Other Post Employment Benefits (OPEB) Trust. (Finance Manager Williams)
 - 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 2017 Budget:
 - a) None at this time.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings/General Report.
 - b) Standing Committee/Assignment Reports (Chair):
 - 1) None.
 - 8.2) Report of General Manager.
 - 8.3) Report of General Counsel.
 - a) Senator Rubio bills regarding new state requirements.
- 9) Public comments on closed session agenda matters.

- 10) Break prior to closed session.
- 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*.
- 12) Public report of any action taken in closed session.
- 13) Board members' requests for future agenda items.
- 14) Adjournment.



DENNIS D. LaMOREAUX,
General Manager

DDL/dd

**PALMDALE
WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 7, 2017 June 14, 2017
TO: BOARD OF DIRECTORS Board Meeting
FROM: Mynor V. Masaya, Operations Manager
VIA: Mr. Dennis LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 6.3 – APPROVAL OF DISTRICT 2017 MEMBERSHIP IN THE WATER RESEARCH FOUNDATION. (\$12,326.07 – BUDGETED – OPERATIONS MANAGER MASAYA)*

Recommendation:

Staff recommends that the Board consider approving renewal of the District's membership in the Water Research Foundation for 2017.

Financial Impacts:

The Annual Commitment based on total million gallons delivered and population served in 2016 is \$12,326.07. (Budgeted under Administration, Memberships and Subscriptions, 1-02-4165-000)

Background:

The District has been an American Water Works Association Research Foundation/Water Research Foundation (AwwaRF/WRF) subscriber for many years. In 2004, the District was able to receive \$100,000.00 in funds to conduct an AwwaRF Tailored Collaboration Study entitled "DBP Control in High Bromide Water While Using Free Chlorine During Distribution" (Project No. 3075). The project was completed by Carollo Engineering in March of 2005, was reviewed by PWD and AwwaRF staff, and the final report became available in August of 2006. The total cost of the project was \$375,392.00.

Information gathered from this study was instrumental to District staff in the decision making process regarding which technologies would provide the greatest benefit and should be included in upgrades to the District's water treatment plant.

In 2013, the District was a co-funding and participating member in a study to determine the most effective technologies for removing or reducing Chromium VI. The results of this study are helping the water community assess the best available options for treatment in light of the new Chromium VI regulation passed by the California Department of Public Health.

Additionally, between March, 2013 and March, 2014, District staff utilized a report from WRF to provide guidance resilient business models for water utilities. The research value of this report was \$564,088.00.

In 2017-2018, staff plans to request and utilize reports and studies from the following areas: asset management, NDMA-N-nitrosodimethylamine, Nitrosamine precursors created in the water treatment process and groundwater recharge projects, Cyanotoxins in drinking water caused by algal blooms in surface waters, Quagga mussel treatment and control practices, use of anionic and nonionic polymers, and chromium VI.

It is through the combined support of membership agencies like Palmdale Water District that research on the most important and emerging water issues can be carried out. In addition to contributing to the research effort, membership provides the District with the opportunity to influence the direction of research projects and full access to all reports from past and current studies.

Supporting Documents:

- Water Research Foundation 2017 Invoice

Strategic Plan Element:

Membership in this organization relates to the District's Strategic Initiative No. 3 –Systems Efficiency.



6666 W Quincy Avenue Denver, CO 80235-3098
 P 303.347.6128 F 303.734.0196
 pschrader@waterrf.org

| | |
|-------------------------------------|--|
| | Date May 23, 2017 |
| Subscriber Number 0003981 | Foundation Tax ID 13-6211384 |
| Subscriber Since 1988 | Invoice Number 7000045393 |

Palmdale Water District
 ATTN: Mr. Dennis D LaMoreaux, General Manager
 2029 East Ave Q
 Palmdale, CA 93550-4038

| ITEM NO. | DESCRIPTION | AMOUNT |
|------------|--|--------------------|
| MBRUTILITY | WRFMBR - Utility Membership 01-May-2017 to 30-Apr-2018 | \$12,326.07 |
| | Total | \$12,326.07 |

Detach and return with payment

Please make check payable to: **Water Research Foundation**



6666 W Quincy Avenue Denver, CO 80235-3098
 P 303.347.6128 F 303.734.0196
 pschrader@waterrf.org

Palmdale Water District
 ATTN: Mr. Dennis D LaMoreaux, General Manager
 2029 East Ave Q
 Palmdale, CA 93550-4038

| | |
|-------------------------------------|-------------------------------------|
| | Date May 23, 2017 |
| Subscriber Number 0003981 | Invoice Number 7000045393 |

| | | |
|---------------------------------------|--|----------------------------------|
| Item No. MBRUTILITY | Description WRFMBR - Utility Membership 01-May-2017 to 30-Apr-2018 | Amount Due \$12,326.07 |
| Revised Invoice Requested: Yes | | Amount Enclosed |
| <input type="checkbox"/> | <input type="checkbox"/> | |

US Dollars Preferred

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 7, 2017 **June 14, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.4 – APPROVE ABSENCE OF DIRECTOR ESTES
FROM MAY 24, 2017 BOARD MEETING DUE TO FAMILY
OBLIGATION.***

Director Estes was absent from the May 24, 2017 Regular Board Meeting. Agenda Item No. 6.4 has been placed on the Consent Calendar to excuse this absence pursuant to Section 4.07.2 of the District's Rules and Regulations which states, "The Board shall excuse absences by approving such absences pursuant to the Consent Calendar at the next regular Board meeting."

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 7, 2017 **June 14, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON
AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT WITH
TRUEPOINT SOLUTIONS REGARDING IMPLEMENTATION OF TRUEBILL
CUSTOMER INFORMATION SYSTEM. (BUDGETED-\$25,000)***

Recommendation:

Staff recommends that the Board approve an amendment to the Professional Services Agreement with TruePoint Solutions for the implementation of TrueBill Customer Information System (CIS) in the amount of \$25,000.00.

Alternative Options:

The Board can deny the amendment, and the project will continue.

Impact of Taking No Action:

There is no impact from no action.

Background:

The District entered into a Professional Services Agreement with TruePoint Solutions for implementation of a CIS back in 2016 after completing the Request for Proposal process in 2015.

The proposal and agreement called for a total of 1,880 professional service hours at \$165.00 per hour or a total of \$310,200 to cover the areas of Project Management, Installation, Configuration, Data Conversion, Testing, Training, Cutover, and Post-Cutover Support.

Due to the complexity of the data conversion caused by not having access to our data base with Starnik, our current CIS, the District and TruePoint are experiencing cost overruns in profession hours (see attached Hours Used Through May 31, 2017). TruePoint has estimated the total number of additional hours needed to complete the project at 299 (see attached Estimate as of 05/12/17).

In an email received from TruePoint, they acknowledge that they could have done a better job in identifying implementation costs during the RFP process, but much of the cost overruns are due to the complexity and time-consuming process of data conversion, reporting, recycled water, and extended project time frame.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

June 7, 2017

TruePoint also acknowledges that they have no intention of not completing the project and proposed regardless of the Board's decision not to amend the agreement for the additional \$25,000. They believe that the long term professional business relation is an important factor to them as we are one of the leading water agencies in the state based on our rate structure, which is the future in California.

TruePoint proposes that we split the costs of the overage and requests we cover 150 hours @ \$165.00 per hour for a total of \$24,750.

Strategic Plan Initiative:

This item is under Strategic Plan Initiative No.6-Customer Care & Advocacy: *Improved customer account management tools.*

Budget:

This project is under Budget Item No. 1-00-5020-000 Plant Expenditures.

Supporting Documents:

- Email from Don Hunsinger, Manager software Development, TruePoint
- Estimate of hours as of 05/12/17 to complete the project
- Hours Used Through May 31, 2017

Michael A. Williams

From: Don Hunsinger <dhunsinger@truepointsolutions.com>
Sent: Thursday, May 18, 2017 10:10 AM
To: Michael A. Williams
Cc: Gene Taylor; Jay Lum
Subject: RE: Revised Remaining Hours and Estimates spreadsheet (as of 05/12/2017)

Hi Mike,

By now you have had a chance to digest the fact that we are way over on our contracted hours in the amount of about 300 hours. Bottom-line, we have no interest in stopping the project or removing any of the key remaining go-live items. Our goal is, and always will be, to ensure that our customers are given the best possible implementation and product that TruePoint can provide. With that said, I have a proposal that perhaps we can meet halfway and hopefully your board can agree to. Of those 300 hours, some of that is on us at TruePoint, and we need to do a better job at identifying implementation costs during the sales process. The other majority of those additional hours are related to the extra complexity and time-consuming nature of the data conversion, reporting, recycled water, and extended project timeframe.

Our proposal is for PWD to fund half of those additional hours, so 150 hrs. @ \$165/hr. = \$24,750.

As I said, our mutual project will continue regardless if your board approves the additional costs or not. We strongly believe that our partnership is for the long-term and we will continue to do our best during this implementation and long after go-live. Finally, we want PWD to be proud of it's decision in selecting TruePoint, not only because we did an excellent job, but also that the product exceeds PWD expectations.

If you have any questions and would like to discuss further, please contact me anytime.

Don Hunsinger | TruePoint Solutions

*Manager, Software Development and Customer Service | 3262 Penryn Road, Suite 100-B | Loomis, CA 95650
(916) 259-1293 x203 office | (916) 256-1975 fax | www.truepointsolutions.com*

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From: Jay Lum
Sent: Thursday, May 18, 2017 7:20 AM
To: Michael A. Williams <mawilliams@palmdalewater.org>; Gene Taylor (gtaylor@palmdalewater.org) <gtaylor@palmdalewater.org>
Cc: Don Hunsinger <dhunsinger@truepointsolutions.com>; Bradley Freeman <bfreeman@truepointsolutions.com>
Subject: Revised Remaining Hours and Estimates spreadsheet (as of 05/12/2017)

Hi Mike & Gene,

As I mentioned yesterday, Don asked me to provide a revised spreadsheet (attached) based on timesheet hours thru last Friday (5/12) and taking into account what we have learned the last couple of weeks.

Thanks

Jay Lum | TruePoint Solutions

Senior Implementation Consultant | 3262 Penryn Road, Suite 100-B | Loomis, CA 95650

Estimate as of 05/12/17

| Item | Description | Est. Hours |
|---|--|------------|
| Project Management | 11 weeks remain before Go Live (weekly status reports, monthly billing) | 30 |
| Data Conversion | Data Conversion has a maximum of 540 hours. The remaining 23 hours might be enough to cover running the rest of the monthly conversions (including the final one). | 23 |
| Data Conversion (additional) | <p>This is data that isn't available in Starnik reports. This estimate is based on Starnik providing a data dump. Estimate is lower if Starnik can't provide the data and PWD is able to enter this information into spreadsheets. 5/18/2017 Note: PWD was able to provide spreadsheets with the SSN, DL #, and Accounts in Dunning and we were able to convert that data. This estimate is based on PWD providing 1 spreadsheet each for Accounts in Dunning instead of 3 spreadsheets for each Route. Account Notes conversion might occur after Go Live, since PWD needs Starnik data for this.</p> <p>SSN DL # Account Notes Accounts in Dunning (step and number of days)</p> | 20 |
| Testing | <p>Remaining items to test: Bill Print Report MFR Variance</p> | 24 |
| Reports | <p>80 hours in contract estimated for TruePoint Consultation. We have used all 80 hours for developing the Bill Print Report. These are the additional reports that we said that we would provide and we are currently developing: Reminder Notice Report, Shut-Off Notice Report, Collections Letter.</p> <p>Other items: Review reports provided by PWD (not yet sent) and determine if standard report will work as-is or slight change needed Provide training on TrueBill schema</p> | 80 |
| Process Documents | <p>Possible documents: Billing Process New Service Location and Customer Account Account Ownership Change Penalty Assessment Service Order/Task Processing?</p> | 24 |
| Service Order - E-mail Notification Setup & Testing | Configuring and testing e-mail notifications from TrueBill | 2 |
| Access Groups | Create and test Access Groups once PWD provides details | 2 |

Estimate as of 05/12/17

| | | | |
|---------------------------------|---|---|-----|
| Receipt Printer setup & testing | Once PWD sends us a printer to use for testing this month | 4 | |
| Train the Trainer Training | 3 days scheduled for May 30 - June 1, includes some training preparation | 60 | |
| Service Order setup | Possible changes to setup as a result of the Train the Trainer training | 16 | |
| UAT Testing support | PWD should be starting UAT after the Train the Trainer training | 16 | |
| Bill comparison support | Run steps to compare Starnik vs. TrueBill billing after PWD runs billing (for all routes?), research billing questions/comments from PWD | 40 | |
| Document Management Interface | Waiting for Jim (PWD IT) to provide more details | 8 | |
| GL Interface | Explain to client, send sample file, possibly make changes to procedure creating file. 5/18/2017 Note: We have started on creating the files, but the original estimate was based on using the standard interface and we are making changes to match PWD current file formats. | 12 | |
| GIS Interface | Finalize details, testing, possibly develop procedure to output Account information for GIS to import | 16 | |
| Recycled Water | TrueBill setup changes needed - including creating new Municipality, Chart of Account codes, and Bill/Service/Charge Types | 16 | |
| Go Live preparation | Preparation begins week before Go Live, includes 1-2 days onsite weekend prior to Go Live | 40 | |
| Go Live support | 2 weeks onsite | 160 | |
| | | | |
| | | Total Hours | 593 |
| | | Total Billable Hours Remaining | 294 |
| | | Total Hours Over Contract Amount | 299 |

Hours Used Through May 31, 2017

| | MONTHS | | | | | | | | | | | TOTALS | | | |
|----------------------|-------------|------------|------------|--------------|------------|------------|------------|--------------|----------|----------|----------|---------------|-------------|-----------------|--------------------|
| | Oct-16 | Nov-16 | Dec-16 | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Hours Used | Total Hours | Hours Remaining | Budget Remaining |
| PM | 14 | 79 | 11 | 11 | 5 | 8 | 7 | 14 | 0 | 0 | 0 | 149 | 180 | 31 | \$5,115.00 |
| Installation | 0 | 7 | 1 | 0.5 | 23 | 0 | 2 | 0 | 0 | 0 | 0 | 33.5 | 120 | 86.5 | \$14,272.50 |
| Configuration | 5 | 54 | 44 | 51 | 41 | 17 | 101 | 95.5 | 0 | 0 | 0 | 408.5 | 240 | -168.5 | (\$27,802.50) |
| Data Conversion | 34.5 | 73 | 101 | 160 | 69 | 28 | 37 | 36 | 0 | 0 | 0 | 538.5 | 540 | 1.5 | \$247.50 |
| Testing | 0 | 0 | 32 | 72 | 104 | 93 | 121 | 63 | 0 | 0 | 0 | 485 | 360 | -125 | (\$20,625.00) |
| Training | 0 | 7 | 0 | 0 | 15 | 82 | 0 | 49 | 0 | 0 | 0 | 153 | 280 | 127 | \$20,955.00 |
| Cutover | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 80 | 80 | \$13,200.00 |
| Post-Cutover Support | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 80 | 80 | \$13,200.00 |
| Totals | 53.5 | 220 | 189 | 294.5 | 257 | 228 | 268 | 257.5 | 0 | 0 | 0 | 1767.5 | 1880 | 112.5 | \$18,562.50 |

**PALMDALE WATER DISTRICT
BOARD MEMORANDUM**

DATE: June 7, 2017 **June 14, 2017**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: *AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH CalPERS FOR THEIR OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST AND ADOPTION OF RESOLUTION NO. 17-15.*

Recommendation:

Staff recommends authorizing the approval of an agreement with the California Employers' Retirement Benefit Trust program (CERBT) to pre-fund Other Post-Employment Benefits through CalPERS and adopt a resolution for the Delegation of Authority to Request Disbursements from the Trust for the payment of OPEB obligations.

Alternative Options:

The alternative is to seek out other trust funds for pre-funding the District OPEB obligations.

Impact of Taking No Action:

The impact of taking no action would require the District to continue a "pay-as-you-go" method of meeting its OPEB obligation and recognizing a higher long term liability on its financial statement due to lower discount return rates.

Background:

Other post-employment benefits (OPEB) are benefits, other than pension, that employers provide to their retired employees. OPEB liabilities arise from an employer's commitment to contribute to retirees' healthcare insurance premiums.

The District provides post-employment health benefits in the form of a monthly contribution towards retirees' personal health insurance premiums for eligible retirees, their spouses and legal dependents. Eligibility for the benefit requires that the employees be at least 55 years of age at the time of retirement and have worked 20 years at PWD.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

June 7, 2017

The Government Accounting Standards Board (GASB) designates retiree health benefits as “other post-employment benefits” commonly referred to as OPEB (such benefits are “other” in that they do not include pension obligations which have separate standards). GASB Statement 45 requires the measurement and reporting of the liabilities associated with OPEB. Since 2009, such liabilities and other reportable figures have been determined by an actuarial valuation and reported on the District’s audited financial statements each year.

The unfunded OPEB liability at the end of calendar year 2016 was \$11,235,300. This liability represents the present value of all future benefits expected to be paid to current employees and retirees. Because PWD does not presently prefund OPEB and the amount of future retirement benefits is growing, this liability increases each year.

Agencies have two options for covering OPEB costs. One option is referred to as “pay-as-you-go,” where an employer makes the required insurance premium payments for its retirees as those premiums are due, out of its current year operating budget. This is the method PWD has used historically.

The other option is “pre-funding,” where funds are set aside in a dedicated trust, such as the CERBT, and can only be withdrawn from the trust for the purpose of paying for OPEB. Establishing and funding an OPEB trust ensures that an employer can meet its future obligations.

The California Employers' Benefit Trust (CERBT) Fund is a multiple-employer trust fund for prefunding OPEB for eligible California public agencies. It is administered by CalPERS although the CERBT fund is completely independent from the CalPERS pension fund. CERBT was created in 2007, shortly after GASB 45 was issued. CERBT assets are growing and exceed \$6.3 billion representing OPEB prefunding of more than 500 California public agencies.

Pre-funding OPEB through an irrevocable trust provides the following benefits:

- The generation of investment income to help pay for future retiree benefits
- A reduction in the OPEB liability reported on MTD’s financial statements
- An improvement in the District’s future financial condition and stability

Prefunding OPEB obligations generates investment income that can cover significant portions of OPEB costs over time, reducing an employer’s future contributions. Additionally, using a trust can substantially increase investment income by widening the available investment options beyond relatively restrictive low-return instruments.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Dennis D. LaMoreaux, General Manager

June 7, 2017

To be considered a GASB-qualifying trust, the contributions must be irrevocable, dedicated to paying OPEB, and protected from creditors. The anticipated higher rate of return of a trust also allows for use of a higher discount rate by the actuary which further reduces the present value of the OPEB liability reported on the District's financial statements.

Establishing and funding an OPEB trust enhances the ability of public agencies to meet their future benefit obligations. The Government Finance Officers Association, the largest public finance membership organization in the United States, strongly recommends prefunding as a best practice and considers it the most fiscally responsible action governmental agencies can take with respect to OPEB obligations.

Staff is not making a recommendation on the future prefunding of OPEB costs at this time. The matter will be revisited next year as part of the budgeting process and following completion of the OPEB actuarial valuation required for next year's annual financial audit. The valuation will include the recalculated Annual Required Contribution (ARC) that takes into account the prefund amount and the higher discount rate. This will significantly reduce the ARC, which was \$2,221,132 in calendar year 2016. Staff anticipates recommending that PWD prefund OPEB at a percentage of the ARC each year, although the final decision would need to take into account the financial condition of the District at that time.

Agencies are not required to make contributions to the CERBT Fund each year. The amount and timing of any prefunding is at the full discretion of PWD. It should be emphasized that prefunding through an irrevocable trust eliminates access to the funds for other purposes. The assets are only available for the payment of OPEB retiree benefits. In order to build investment earnings, PWD would not begin disbursing trust funds to pay retiree benefits for a number of years. Actual benefit costs each year would continue to be funded with the operating budget.

The CERBT offers three asset allocation strategies, determined by CalPERS, with Strategy 1 being the most aggressive and Strategy 3 being the most conservative. The three strategies provide a range of expected investment rate of return and corresponding volatility so that employers can match the risk of their portfolio with the liquidity needs of the OPEB plan:

| Investment Strategy | Long-Term Expected Rate of Return |
|--------------------------------|--|
| Strategy 1 (most aggressive) | 7.28% |
| Strategy 2 | 6.73% |
| Strategy 3 (most conservative) | 6.12% |

Staff recommends choosing Strategy 1 at this time. The higher rate of expected return will provide the District with the best discount rate in its actuarial calculation.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT
VIA: Mr. Dennis D. LaMoreaux, General Manager

June 7, 2017

To join the CERBT, the attached Agreement and Election to Prefund Other Post-Employment Benefits through CalPERS must be executed, and PWD must delegate authorized representatives to conduct business with CERBT.

Strategic Plan Initiative:

Strategic Plan Initiative No.4-Financial Health & Stability: *Maintain adequate reserve levels*

Budget:

This item has potential budget impact of amounts equal to the annual contribution.

Supporting Documents:

- Agreement and Election to Pre-Fund OPEB through CalPERS
- Delegation of Authority
- CalPERS CERBT Information

CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST PROGRAM ("CERBT")

**AGREEMENT AND ELECTION
OF**

(NAME OF EMPLOYER)

**TO PREFUND OTHER POST-EMPLOYMENT
BENEFITS THROUGH CalPERS**

WHEREAS (1) Government Code Section 22940 establishes in the State Treasury the Annuitants' Health Care Coverage Fund for the prefunding of health care coverage for annuitants (Prefunding Plan); and

WHEREAS (2) The California Public Employees' Retirement System (CalPERS) Board of Administration (Board) has sole and exclusive control and power over the administration and investment of the Prefunding Plan (sometimes also referred to as CERBT), the purposes of which include, but are not limited to (i) receiving contributions from participating employers and establishing separate Employer Prefunding Accounts in the Prefunding Plan for the performance of an essential governmental function (ii) investing contributed amounts and income thereon, if any, in order to receive yield on the funds and (iii) disbursing contributed amounts and income thereon, if any, to pay for costs of administration of the Prefunding Plan and to pay for health care costs or other post-employment benefits in accordance with the terms of participating employers' plans; and

WHEREAS (3) _____
(NAME OF EMPLOYER)

(Employer) desires to participate in the Prefunding Plan upon the terms and conditions set by the Board and as set forth herein; and

WHEREAS (4) Employer may participate in the Prefunding Plan upon (i) approval by the Board and (ii) filing a duly adopted and executed Agreement and Election to Prefund Other Post-Employment Benefits (Agreement) as provided in the terms and conditions of the Agreement; and

WHEREAS (5) The Prefunding Plan is a trust fund that is intended to perform an essential governmental function within the meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer defined benefit plan as defined in Governmental Accounting Standards Board (GASB) Statements for Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB Standards) consisting of an aggregation of single-employer plans, with pooled administrative and investment functions;

NOW, THEREFORE, BE IT RESOLVED THAT EMPLOYER HEREBY MAKES THE FOLLOWING REPRESENTATION AND WARRANTY AND THAT THE BOARD AND EMPLOYER AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

A. Representation and Warranty

Employer represents and warrants that it is a political subdivision of the State of California or an entity whose income is excluded from gross income under Section 115 (1) of the Internal Revenue Code.

B. Adoption and Approval of the Agreement; Effective Date; Amendment

(1) Employer's governing body shall elect to participate in the Prefunding Plan by adopting this Agreement and filing with the CalPERS Board a true and correct original or certified copy of this Agreement as follows:

Filing by mail, send to: CalPERS
 CERBT (OPEB)
 P.O. Box 1494
 Sacramento, CA 95812-1494

Filing in person, deliver to: CalPERS Mailroom
 CERBT (OPEB)
 400 Q Street
 Sacramento, CA 95811

(2) Upon receipt of the executed Agreement, and after approval by the Board, the Board shall fix an effective date and shall promptly notify Employer of the effective date of the Agreement.

(3) The terms of this Agreement may be amended only in writing upon the agreement of both CalPERS and Employer, except as otherwise provided herein. Any such amendment or modification to this Agreement shall be adopted and executed in the same manner as required for the Agreement. Upon receipt of the executed amendment or modification, the Board shall fix the effective date of the amendment or modification.

(4) The Board shall institute such procedures and processes as it deems necessary to administer the Prefunding Plan, to carry out the purposes of this Agreement, and to maintain the tax exempt status of the Prefunding Plan. Employer agrees to follow such procedures and processes.

C. Other Post-Employment Benefits (OPEB) Cost Reports and Employer Contributions

(1) Employer shall provide to the Board an OPEB cost report on the basis of the actuarial assumptions and methods prescribed by the Board. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by applicable GASB OPEB Standards. This OPEB cost report may be prepared as an actuarial valuation report or, if the employer is qualified under GASB OPEB Standards, may be prepared as an Alternative Measurement Method (AMM) report.

- (a) Unless qualified under GASB OPEB Standards, to provide an AMM report, Employer shall provide to the Board an actuarial valuation report. Such report shall be for the Board's use in financial reporting, and shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) prepared and signed by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board;
 - 2) prepared in accordance with generally accepted actuarial practice and GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.
- (b) If qualified under GASB OPEB Standards, Employer may provide to the Board an AMM report. Such report shall be for the Board's use in financial reporting, shall be prepared at least as often as the minimum frequency required by GASB OPEB Standards, and shall be:
 - 1) affirmed by Employer's external auditor, or by a Fellow or Associate of the Society of Actuaries who is also a Member of the American Academy of Actuaries or a person with equivalent qualifications acceptable to the Board, to be consistent with the AMM process described in GASB OPEB Standards;
 - 2) prepared in accordance with GASB OPEB Standards; and,
 - 3) provided to the Board prior to the Board's acceptance of contributions for the valuation period or as otherwise required by the Board.

(2) The Board may reject any OPEB cost report for financial reporting purposes submitted to it, but shall not unreasonably do so. In the event that the Board

determines, in its sole discretion, that the OPEB cost report is not suitable for use in the Board's financial statements or if Employer fails to provide a required OPEB cost report, the Board may obtain, at Employer's expense, an OPEB cost report that meets the Board's financial reporting needs. The Board may recover from Employer the cost of obtaining such OPEB cost report by billing and collecting from Employer or by deducting the amount from Employer's account in the Prefunding Plan.

(3) Employer shall notify the Board of the amount and time of contributions which contributions shall be made in the manner established by the Board.

(4) Employer contributions to the Prefunding Plan may be limited to the amount necessary to fully fund Employer's actuarial present value of total projected benefits, as supported by the OPEB cost report for financial reporting purposes acceptable to the Board. As used throughout this document, the meaning of the term "actuarial present value of total projected benefits" is as defined in GASB OPEB Standards. If Employer's contribution causes its assets in the Prefunding Plan to exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board may refuse to accept the contribution.

(5) No contributions are required. Contributions can be made at any time following the effective date of the Agreement provided that Employer has first complied with the requirements of Paragraph C.

D. Administration of Accounts, Investments, Allocation of Income

(1) The Board has established the Prefunding Plan as an agent plan consisting of an aggregation of single-employer plans, with pooled administrative and investment functions, under the terms of which separate accounts are maintained for each employer so that the Employer's assets will provide benefits only under the Employer's post-employment benefit plan(s).

(2) All Employer contributions and assets attributable to Employer contributions shall be separately accounted for in the Prefunding Plan (Employer's Prefunding Account).

(3) Employer's Prefunding Account assets may be aggregated with prefunding account assets of other employers and may be co-invested by the Board in any asset classes appropriate for a Section 115 Trust.

(4) The Board may deduct the costs of administration of the Prefunding Plan from the investment income or Employer's Prefunding Account in a manner determined by the Board.

(5) Investment income shall be allocated among participating employers and posted to Employer's Prefunding Account as determined by the Board but no less frequently than annually.

(6) If Employer's assets in the Prefunding Plan exceed the amount required to fully fund the actuarial present value of total projected benefits, the Board, in compliance with applicable accounting and legal requirements, may return such excess to Employer.

E. Reports and Statements

(1) Employer shall submit with each contribution a contribution report in the form and containing the information prescribed by the Board.

(2) The Board shall prepare and provide a statement of Employer's Prefunding Account at least annually reflecting the balance in Employer's Prefunding Account, contributions made during the period and income allocated during the period, and such other information as the Board determines.

F. Disbursements

(1) Employer may receive disbursements not to exceed the annual premium and other costs of post-employment healthcare benefits and other post-employment benefits as defined in GASB OPEB Standards.

(2) Employer shall notify CalPERS in writing in the manner specified by CalPERS of the persons authorized to request disbursements from the Prefunding Plan on behalf of Employer.

(3) Employer's request for disbursement shall be in writing signed by Employer's authorized representative, in accordance with procedures established by the Board. The Board may require that Employer certify or otherwise establish that the monies will be used for the purposes of the Prefunding Plan.

(4) Requests for disbursements that satisfy the requirements of paragraphs (2) and (3) will be processed monthly.

(5) CalPERS shall not be liable for amounts disbursed in error if it has acted upon the written instruction of an individual authorized by Employer to request disbursements. In the event of any other erroneous disbursement, the extent of CalPERS' liability shall be the actual dollar amount of the disbursement, plus interest at the actual earnings rate but not less than zero.

(6) No disbursement shall be made from the Prefunding Plan which exceeds the balance in Employer's Prefunding Account.

G. Costs of Administration

Employer shall pay its share of the costs of administration of the Prefunding Plan, as determined by the Board.

H. Termination of Employer Participation in Prefunding Plan

(1) The Board may terminate Employer's participation in the Prefunding Plan if:

- (a) Employer gives written notice to the Board of its election to terminate;
- (b) The Board finds that Employer fails to satisfy the terms and conditions of this Agreement or of the Board's rules or regulations.

(2) If Employer's participation in the Prefunding Plan terminates for any of the foregoing reasons, all assets in Employer's Prefunding Account shall remain in the Prefunding Plan, except as otherwise provided below, and shall continue to be invested and accrue income as provided in Paragraph D.

(3) After Employer's participation in the Prefunding Plan terminates, Employer may not make contributions to the Prefunding Plan.

(4) After Employer's participation in the Prefunding Plan terminates, disbursements from Employer's Prefunding Account may continue upon Employer's instruction or otherwise in accordance with the terms of this Agreement.

(5) After the Employer's participation in the Prefunding Plan terminates, the governing body of the Employer may request either:

- (a) A trustee to trustee transfer of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such transfer unless the Board determines that the transfer will satisfy applicable requirements of the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties. If the Board determines that the transfer will satisfy these requirements, the Board shall then have one hundred fifty (150) days from the date of such determination to effect the transfer. The amount to be transferred shall be the amount in the Employer's Prefunding Account as of the date of the transfer (the "transfer date") and shall include investment earnings up to an investment earnings allocation date preceding the transfer date. In no event shall the investment earnings allocation date precede the transfer date by more than 150 days.
- (b) A disbursement of the assets in Employer's Prefunding Account; provided that the Board shall have no obligation to make such disbursement unless the Board determines that, in compliance with the Internal Revenue Code, other law and accounting standards, and the Board's fiduciary duties, all of Employer's obligations for payment of post-employment health care benefits and other post-employment benefits and reasonable administrative costs of the Board have been satisfied. If the Board determines that the disbursement will satisfy these requirements, the

Board shall then have one hundred fifty (150) days from the date of such determination to effect the disbursement. The amount to be disbursed shall be the amount in the Employer's Prefunding Account as of the date of the disbursement (the "disbursement date") and shall include investment earnings up to an investment earnings allocation date preceding the disbursement date. In no event shall the investment earnings allocation date precede the disbursement date by more than 150 days.

(6) After Employer's participation in the Prefunding Plan terminates and at such time that no assets remain in Employer's Prefunding Account, this Agreement shall terminate.

(7) If, for any reason, the Board terminates the Prefunding Plan, the assets in Employer's Prefunding Account shall be paid to Employer after retention of (i) amounts sufficient to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants described by the employer's current substantive plan (as that term is used in GASB OPEB Standards), and (ii) amounts sufficient to pay reasonable administrative costs of the Board.

(8) If Employer ceases to exist but Employer's Prefunding Plan continues to exist and if no provision has been made by Employer for ongoing payments to pay post-employment health care benefits and other post-employment benefits to annuitants for current and future annuitants, the Board is authorized to and shall appoint a third party administrator to carry out Employer's Prefunding Plan. Any and all costs associated with such appointment shall be paid from the assets attributable to contributions by Employer.

(9) If Employer should breach the representation and warranty set forth in Paragraph A., the Board shall take whatever action it deems necessary to preserve the tax-exempt status of the Prefunding Plan.

I. General Provisions

(1) Books and Records.

Employer shall keep accurate books and records connected with the performance of this Agreement. Employer shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location at the Employer's office(s) and shall be available for inspection and copying by CalPERS and its representatives.

(2) Audit.

- (a) During and for three years after the term of this Agreement, Employer shall permit the Bureau of State Audits, CalPERS, and its authorized

representatives, and such consultants and specialists as needed, at all reasonable times during normal business hours to inspect and copy, at the expense of CalPERS, books and records of Employer relating to its performance of this Agreement.

- (b) Employer shall be subject to examination and audit by the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, during the term of this Agreement and for three years after final payment under this Agreement. Any examination or audit shall be confined to those matters connected with the performance of this Agreement, including, but not limited to, the costs of administering this Agreement. Employer shall cooperate fully with the Bureau of State Audits, CalPERS, and its authorized representatives, and such consultants and specialists as needed, in connection with any examination or audit. All adjustments, payments, and/or reimbursements determined to be necessary by any examination or audit shall be made promptly by the appropriate party.

(3) Notice.

- (a) Any notice, approval, or other communication required or permitted under this Agreement will be given in the English language and will be deemed received as follows:
 - 1. Personal delivery. When personally delivered to the recipient. Notice is effective on delivery.
 - 2. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice. Notice is effective three delivery days after deposit in a United States Postal Service office or mailbox.
 - 3. Certified mail. When mailed certified mail, return receipt requested. Notice is effective on receipt, if delivery is confirmed by a return receipt.
 - 4. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, Notice is effective on delivery, if delivery is confirmed by the delivery service.
 - 5. Telex or Facsimile Transmission. When sent by telex or fax to the last telex or fax number of the recipient known to the party giving notice. Notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written

confirmation of receipt. Any notice given by telex or fax shall be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day.

6. E-mail transmission. When sent by e-mail using software that provides unmodifiable proof (i) that the message was sent, (ii) that the message was delivered to the recipient's information processing system, and (iii) of the time and date the message was delivered to the recipient along with a verifiable electronic record of the exact content of the message sent.

Addresses for the purpose of giving notice are as shown in Paragraph B.(1) of this Agreement.

- (b) Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- (c) Any party may change its address, telex, fax number, or e-mail address by giving the other party notice of the change in any manner permitted by this Agreement.
- (d) All notices, requests, demands, amendments, modifications or other communications under this Agreement shall be in writing. Notice shall be sufficient for all such purposes if personally delivered, sent by first class, registered or certified mail, return receipt requested, delivery by courier with receipt of delivery, facsimile transmission with written confirmation of receipt by recipient, or e-mail delivery with verifiable and unmodifiable proof of content and time and date of sending by sender and delivery to recipient. Notice is effective on confirmed receipt by recipient or 3 business days after sending, whichever is sooner.

(4) Survival

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to be a part of their Agreement shall survive the termination of this Agreement until such time as all amounts in Employer's Prefunding Account have been disbursed.

(5) Waiver

No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and

signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, failure, right, or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

(6) Necessary Acts, Further Assurances

The parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

A majority vote of Employer's Governing Body at a public meeting held on the _____ day of the month of _____ in the year _____, authorized entering into this Agreement.

Signature of the Presiding Officer: _____

Printed Name of the Presiding Officer: _____

Name of Governing Body: _____

Name of Employer: _____

Date: _____

BOARD OF ADMINISTRATION
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY _____
JOHN SWEDENSKY
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

| |
|--|
| To be completed by CalPERS The effective date of this Agreement is: _____ |
|--|





DELEGATION OF AUTHORITY TO REQUEST DISBURSEMENTS

RESOLUTION OF THE

Board of Directors (GOVERNING BODY)

OF THE

Palmdale Water District (NAME OF EMPLOYER)

The Board of Directors (GOVERNING BODY) delegates to the incumbents

in the positions of General Manager (TITLE) and

Finance Manager/CFO (TITLE) and/or

Human Resource Director (TITLE) authority to request on

behalf of the Employer disbursements from the Other Post Employment Prefunding Plan and to certify as to the purpose for which the disbursed funds will be used.

By _____

Title President, Board of Directors

Witness _____

Date _____

The California Employers' Retiree Benefit Trust Fund at CalPERS

The California Employers' Retiree Benefit Trust (CERBT) fund is a multiple-employer Other Post-Employment Benefits (OPEB) trust fund administered by CalPERS, a California state agency. More than 500 California public employers participate in the CERBT program to pre-fund OPEB liabilities, such as retiree health benefits. **More employers choose us because we deliver excellent investment management, uncomplicated trust administration, financial reporting compliant with governmental accounting standards, and personal direct service, at the lowest cost to participating employers.**



504

Participating employers



\$4.6 billion

Employer net contributions



511,498

Covered lives
(active and retired employees)



\$5.9 billion

Assets under management



As the first public agency to join CERBT, the program has been a perfect fit for us and would be a valuable asset to any public agency. The CalPERS team is knowledgeable, responsive and thorough; and the program is an excellent value.

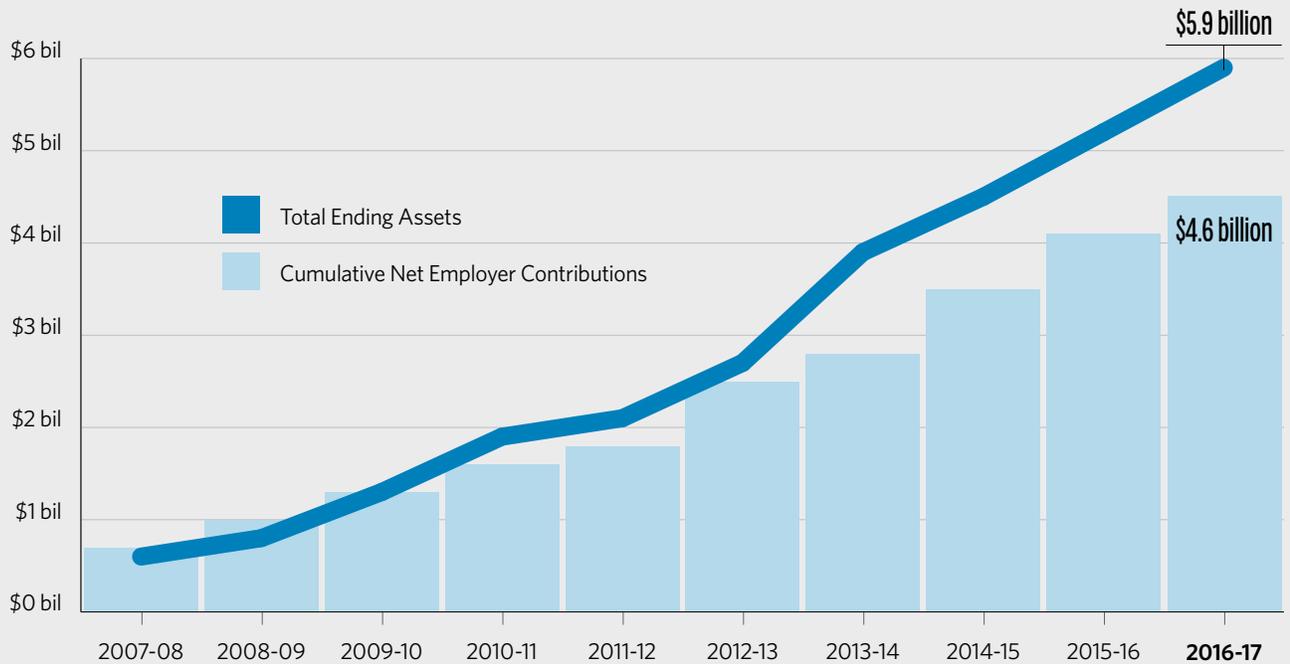
- John F. Adams
City of Thousand Oaks



Choice of Asset Allocation Strategies

| | Expected Rate of Return | Standard Deviation | Risk Level less conservative → more conservative |
|------------|-------------------------|--------------------|---|
| Strategy 1 | 7.28% | 11.74% | |
| Strategy 2 | 6.73% | 9.32% | |
| Strategy 3 | 6.12% | 7.14% | |

Consistent Growth of CERBT Fund Assets Since Inception



Participating Employers

| | |
|----------------------------------|------------|
| Cities | 132 |
| Counties | 14 |
| Courts | 22 |
| Schools | 56 |
| Special Districts | 279 |
| State of California | 1 |
| Total number of employers | 504 |

515% Growth in Employer Participation



Advantages of Participating in CERBT

- California's largest public employer OPEB trust fund
- All services provided at a single, low cost (10 basis points)
- Simple and straightforward administrative procedures
- Financial reporting compliant with governmental accounting standards
- Personal, high-quality service and support

CalPERS Managed Portfolio

- Fiduciary responsibility assumed by CalPERS Board
- Investment management by experts at CalPERS and internationally renowned consultants
- Multiple investment strategy options with varying risk levels
- All public market securities

Learn more at www.calpers.ca.gov/cerbt

Contact us at CERBT4U@CalPERS.ca.gov

MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, APRIL 13, 2017.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, April 13, 2017, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Parris called the meeting to order at 7:00 p.m.

1) Pledge of Allegiance.

At the request of Chair Parris, Commissioner Thibault led the pledge of allegiance.

2) Roll Call.

Attendance:

Robert Parris, Chair
Kathy Mac Laren, Secretary
Leo Thibault, Treasurer-Auditor
Robert Alvarado, Commissioner
Tim Clark, Alt. Commissioner
Keith Dyas, Commissioner
(Arrived at 7:30 p.m.)

Others Present:

Matt Knudson, AVSWCA General Mngr.
Tom Barnes, Controller
Dwayne Chisam, AVEK General Mngr.
James Chaisson, LCID General Mngr.
Danielle Henry, Administrative Assistant
0 members of the public

EXCUSED ABSENCE –

Barbara Hogan, Vice Chair

3) Adoption of Agenda.

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

4) Public Comments for Non-Agenda Items.

There were no public comments.

5) Consideration and Possible Action on Minutes of Regular Meeting Held March 9, 2017.

It was moved by Commissioner Alvarado, seconded by Alt. Commissioner Clark, and carried by a 4-0-1 vote, with Commissioner Mac Laren abstaining, to approve the minutes of the regular meeting held March 9, 2017, as written.

6) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received as presented from PWD in the amount of \$1,232.17 for staff services, from AVEK in the amount of \$854.43 for staff services and from AV Web Designs in the amount of \$199.95 for the recurring monthly AVSavesWater.com website charge for April, 2017. The motion was seconded by Commissioner Mac Laren and unanimously carried by all members of the Board of Commissioners present at the meeting.

7) Presentation on the Upper Amargosa Creek Recharge Project. (General Manager Knudson/Controller Barnes)

Controller Barnes provided a detailed overview of the Upper Amargosa Creek Flood Control, Recharge, and Habitat Restoration Project including the purpose and location, the partners and their participation, the cost breakdown and partner contributions, the status of the plan design, the current construction to date, and the Project completion timeline followed by a brief discussion of Proposition 1E grant funding, the previous delays of the Project, the Department of Water Resources requirements, and the design and capacities of the recharge basins.

The Commissioners then thanked Controller Barnes for the presentation.

8) Status Update on Member Agency Joint Projects. (General Manager Knudson/Controller Barnes)

General Manager Knudson stated that staff from PWD, AVEK, and LCID met on March 30, 2017 to discuss each agency's infrastructure; that a representative from Los Angeles County Waterworks participated via teleconference; that staff is now working on collecting shape files of each agency's infrastructure; and that the next step is to combine all the shape files onto a single map to analyze for future improvements that will be beneficial to all of the member agencies.

9) Discussion and Possible Action on Agreement Related to Regional Exchange of Water from the State Water Project. (General Manager Knudson/Controller Barnes)

Controller Barnes stated that Oroville Dam has been the focus of the Department of Water Resources (DWR) but that staff continues to work with the new contacts at DWR on the proposed agreement for regional exchange of water from the State Water Project between the member agencies and that he is anticipating timelines to be provided at the next Association meeting.

10) Report of General Manager.

a) Update on Revenue, Expenditures and Change in Net Position.

General Manager Knudson provided a brief update of the Association's finances and stated that finances are on track.

b) Update on Antelope Valley Watermaster Meetings.

General Manager Knudson stated that the Antelope Valley Watermaster Board met on March 30, 2017 and selected a Watermaster Engineer; that a contract will be presented to Todd Groundwater at the next meeting scheduled for April 26, 2017 at 10 a.m. at AVEK; and that the 2017 Budget, Administrative Assessments fees, and discussion on legal counsel will also be on the agenda for the next meeting.

He then reviewed a letter of support that he prepared on behalf of the Association for the Antelope Valley-East Kern Water Agency's Enterprise Water Bank Project after which it was the consensus of the Commissioners to support the submittal of the letter.

11) Report of Controller.

Controller Barnes stated that he has nothing further to report.

12) Reports of Commissioners.

Commissioner Alvarado reported that PWD received an official letter from the Los Angeles County Board of Supervisors moving future elections of the PWD Board to

even numbered years; that PWD was profiled in a recent California Special Districts Association (CSDA) magazine for hosting its first Town Hall Forum highlighting its success and PWD's involvement in the community; that he and Alt. Commissioner Henriquez recently attended the Water Education for Latino Leaders (WELL) Conference; and that the PWD Board approved a Resolution last night to elect Board Members by division rather than at-large effective November, 2018.

Commissioner Dyas arrived to the meeting at 7:30 p.m.

There were no further reports.

13) Report of Attorney.

No attorney was present.

14) Commission Members' Requests for Future Agenda Items.

General Manager Knudson stated that "Status Update on Member Agency Joint Projects" and "Discussion and Possible Action on Agreement Related to Regional Exchange of Water from the State Water Project" will remain on future agendas.

Chair Parris then requested staff from each member agency to meet and discuss how to accomplish regional involvement in water banking opportunities, and after discussions of the adjudication and building trust, of the Association being the best entity to lead the way for regional projects, of a conceptual plan including each member agency's infrastructure and water resources, and of each member agency's Board choosing a Commissioner to participate on an Ad Hoc Committee, it was determined that "Consideration and Possible Action on the formation of an Ad Hoc Committee for the Antelope Valley Water Plan" be added to the next agenda.

Commissioner Alvarado then requested that "Discussion and Possible Action on the Annual SMART Landscaping Expo" be added as a standing item on future agendas, and after a brief discussion of participating in the Spring Expo in lieu of hosting another SMART Landscaping Expo, Chair Parris requested that Controller Barnes invite a representative from the Antelope Valley Fair Association to the next Association meeting to provide information on their Spring Expo.

There were no further requests for future agenda items.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
APRIL 13, 2017
REGULAR MEETING

15) Consideration and Possible Action on Scheduling the Next Association Meeting. (May 11, 2017)

After a brief discussion of the Commissioners attending the ACWA Spring Conference, it was determined that the next regular meeting of the Association will be held May 18, 2017 at 7:00 p.m. at PWD.

16) Adjournment.

There being no further business to come before the Commissioners, it was moved by Commissioner Mac Laren, seconded by Commissioner Alvarado, and unanimously carried by all members of the Board of Commissioners present at the meeting to adjourn the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association at 8:03 p.m.


Secretary