



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

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

DENNIS LaMOREAUX
General Manager

ALESHIRE & WYNDER LLP
Attorneys



June 6, 2018

**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
MONDAY, JUNE 11, 2018
6:00 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 29, 2018.
 - 6.2) Payment of bills for June 11, 2018.
 - 6.3) Approve absence of Director Alvarado from May 29, 2018 meeting due to vacation.
- 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 making ongoing Conservation Pilot Programs and new rebate permanent. (No Budget Impact – Deputy Water and Energy Resources Director Thompson II)
 - 7.2) Consideration and possible action on creating a water conservation area at the 2018 Antelope Valley Fair as part of the Fair's 80th anniversary celebration. (\$ To be determined - Non-budgeted – Director Mac Laren/Deputy Water and Energy Resources Director Thompson II)
 - 7.3) Consideration and possible action on extending the District's Wi-Fi from 6:00 p.m. to 8:00 p.m. for Palmdale School District students living near the District's main office. (No Budget Impact – Director Mac Laren/Information Technology Manager Stanton)
 - 7.4) 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 2018 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.
- 9) Board members' requests for future agenda items.
- 10) Adjournment.



DENNIS D. LaMOREAUX, General Manager
DDL/dd

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: June 5, 2018 **June 11, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVE ABSENCE OF DIRECTOR ALVARADO FROM MAY 29, 2018 BOARD MEETING DUE TO VACATION. (GENERAL MANAGER LaMOREAUX)***

Director Alvarado was absent from the May 29, 2018 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."

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: June 5, 2018 **June 11, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Peter Thompson II, Deputy Water and Energy Res. Dir.
VIA: Mr. Jon Pernula, Water and Energy Resources Director
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON
MAKING ONGOING CONSERVATION PILOT PROGRAMS AND NEW
REBATE PERMANENT. (DEPUTY WATER AND ENERGY RES. DIR.
THOMPSON II)***

Recommendation:

Staff recommends making the ongoing conservation pilot programs permanent.

Alternative Options:

Extending or canceling the pilot programs.

Impact of Taking No Action:

The pilot programs would continue for the duration of the year at a limited scope and not be offered in 2019.

Background:

The Conservation Department staff were tasked with reassessing and enhancing the programs offered to the customers. The intent has been to develop programs that will be simple to administer, effective at encouraging efficient use of water, and provide a positive experience for the customers.

The programs being considered are as follows:

Micro Irrigation Conversion Rebate-

This program offers qualifying applicants a rebate of \$0.25 per linear foot of micro irrigation installed with a cap of \$15,000.00 maximum rebate. This program would assist commercial customers, multi-family residences, and HOAs with larger scale conversions from traditional sprinklers to highly efficient micro-irrigation. The Vineyards was the first selected customer to take part in this pilot program. They have helped staff refine the process and have successfully completed their targeted micro-irrigation conversion. They will be receiving their rebate for successful completion at the June 11, 2018 Regular Board Meeting.

BOARD OF DIRECTORS
PALMDALE WATER DISTRICT

VIA: Mr. Jon Pernula, Water and Energy Resources Director
Mr. Dennis D. LaMoreaux, General Manager

June 5, 2018

Residential Landscape Survey-

The Residential Landscape Survey is a voluntary program, where the Field Customer Care Representative meets with the customer at their residence. There they review options for reducing water use on the customers' existing landscape. This program would be advertised on our website, and the Conservation Department staff would actively extend this opportunity to high use customers as well as customers cited for water waste. Staff has completed two surveys with existing customers.

MP Rotator/HE Nozzle Rebate-

This new rebate program would provide customers with a rebate of \$4.00 for each sprinkler that is converted to a So Cal Water Smart listed MP Rotator or HE Nozzle. MP Rotators and HE Nozzles are designed to reduce run-off and overspray when watering landscapes.

It is staff's opinion that these programs will help reach a broader group of customers with water efficiency options and provide an improved level of customer care for those dealing with water efficiency challenges.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 1 – Water Resource Reliability and Strategic Initiative No. 6 - Customer Care, Advocacy and Outreach.

This item directly relates to the District's Mission Statement.

Budget:

Approval would have no budgetary impact.

Supporting Documents:

- None.

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: June 5, 2018 **June 11, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Peter Thompson II, Deputy Water and Energy Res. Dir.
VIA: Mr. Jon Pernula, Water and Energy Resources Director
Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION ON CREATING A WATER CONSERVATION AREA AT THE 2018 ANTELOPE VALLEY FAIR AS PART OF THE FAIR’S 80TH ANNIVERSARY CELEBRATION. (\$ TO BE DETERMINED – NON-BUDGETED – DIRECTOR MAC LAREN/DEPUTY WATER AND ENERGY RES. DIR. THOMPSON II)***

Recommendation:

Staff has no recommendation on this item.

Alternative Options:

Contribution towards a conservation area at the Antelope Valley Fair or no participation this year.

Impact of Taking No Action:

The District would not participate in the Antelope Valley Fair.

Background:

The District does not typically participate in the Antelope Valley Fair with a booth as the Antelope Valley Fair is held outside the District’s service boundaries. Considerations for participating with a booth would include: Staff availability, staff cost due to overtime, and the costs associated with purchasing promotional items to distribute.

Creating a water conservation area has not been previously considered due to the Antelope Valley Fair being located outside of the District’s boundaries. Additional considerations would include: Staff costs, design/construction costs, and routine maintenance of the area.

As an alternative, staff suggests that the Antelope Valley Fair designate an area they would like to have xeriscaped and the District and possibly other area water agencies fund the construction costs to xeriscape the area. Maintenance of the xeriscaped area would then be the responsibility of the Antelope Valley Fair.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 5 – Regional Leadership.
This item could relate to the District’s Mission Statement.

Budget:

This item is non-budgeted, and costs will be determined on Board action.

Supporting Documents:

- None.

P A L M D A L E W A T E R D I S T R I C T
B O A R D M E M O R A N D U M

DATE: June 5, 2018 **June 11, 2018**
TO: BOARD OF DIRECTORS **Regular Board Meeting**
FROM: Mr. Jim Stanton, Information Technology Manager
VIA Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.3 – CONSIDERATION AND POSSIBLE ACTION ON
EXTENDING THE DISTRICT’S WI-FI FROM 6:00 P.M. TO 8:00 P.M. FOR
PALMDALE SCHOOL DISTRICT STUDENTS LIVING NEAR THE DISTRICT’S
MAIN OFFICE. (NO BUDGET IMPACT – DIRECTOR MAC
LAREN/INFORMATION TECHNOLOGY MANAGER STANTON)***

Recommendation:

Staff has no recommendation on this item.

Alternative Options:

The alternative option is to not extend the District’s Wi-Fi.

Impact of Taking No Action:

The District’s Wi-Fi will not be extended.

Background:

The Palmdale School District has met several times with the City of Palmdale and the Palmdale Water District to discuss the option of offering city-wide Wi-Fi free for their students.

The Palmdale Water District’s Wi-Fi service was accessible on weekends until staff was informed of multiple internet downloads from questionable sites, as well as copyright infringement issues, and vehicles were observed in the parking lot for extended periods, which could lead to security issues.

If the Board chooses to pursue the option of extended Wi-Fi service, staff suggests it be extended Monday through Friday only from 6:00 p.m. to 8:00 p.m. The service, however, would have to be discontinued if staff is informed from our provider of questionable actions.

Strategic Plan Initiative/Mission Statement:

This item is under Strategic Initiative No. 5 – Regional Leadership.
This item could relate to the District’s Mission Statement.

Budget:

There is no cost to extend the District’s Wi-Fi service from 6:00 p.m. to 8:00 p.m. Monday through Friday.

Supporting Documents:

- None

MINUTES OF MEETING OF THE FINANCE COMMITTEE OF THE PALMDALE WATER DISTRICT, APRIL 26, 2018:

A meeting of the Finance Committee of the Palmdale Water District was held Thursday, April 26, 2018, at 2029 East Avenue Q, Palmdale, California, in the Board Room of the District office. Chair Henriquez called the meeting to order at 4:30 p.m.

1) Roll Call.

Attendance:

Finance Committee:
Marco Henriquez, Chair
Robert Alvarado, Committee
Member

Others Present:

Dennis LaMoreaux, General Manager
Mike Williams, Finance Manager
Bob Egan, Financial Advisor
Dennis Hoffmeyer, Accounting Supervisor
Dawn Deans, Executive Assistant
1 member of the public

2) Adoption of Agenda.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to adopt the agenda, as written.

3) Public Comments on Non-Agenda Items.

There were no public comments on non-agenda items.

4) Action Items:

4.1) Consideration and Possible Action on Approval of Minutes of Meeting Held March 26, 2018.

It was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting to approve the minutes of the Finance Committee meeting held March 26, 2018, as written.

4.2) Discussion and Overview of Cash Flow Statement and Current Cash Balances as of March 2018. (Financial Advisor Egan)

Financial Advisor Egan reviewed the investment funds report as of March 2018, including the balance reduction due to expected bond payments and then provided an

overview of the cash flow statement, including assessments received and annual capital expenditures.

4.3) Discussion and Overview of Financial Statements, Revenue, and Expense and Departmental Budget Reports for March 2018. (Finance Manager Williams)

Finance Manager Williams reviewed in detail the balance sheet, profit and loss statement, year-to-year comparisons, month-to-month comparisons, consumption comparisons, and revenue and expense analysis reports for the period ending March 2018 and stated that most departments are operating at or below the targeted expenditure percentage of 25% followed by discussion of State Water Project allocations.

4.4) Discussion and Overview of Committed Contracts Issued. (Finance Manager Williams)

Finance Manager Williams provided an overview of the updated Contractual Commitments and Needs for 2018 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 available funding sources.

4.5) Consideration and Possible Action on Financing Options for Construction of Grade Control Structure for the Littlerock Sediment Removal Project and Other Capital Projects. (Finance Manager Williams/Financial Advisor Egan)

Mr. Mark Northcross, Principal for NHA Advisors, provided a detailed overview of the recommended financing option of publicly offered water revenue bonds for the construction of the grade control structure for the Littlerock Sediment Removal Project and other capital projects; the District's capacity to issue debt and future commitment to increase water rates; water rate adjustments required to continue to meet debt service coverage with the new debt and District operations; and the ongoing need for pay-as-you-go capital projects.

Staff then recommended approval of the issuance of 2018 water revenue bonds be presented to the full Board at the second Regular Board meeting in May, and after a brief discussion of the importance of maintaining cash reserves at a minimum of \$10

million, raising the District's bond rating, progress towards meeting the District's Reserve Policy, adopting rates on a five-year basis rather than annually for planning purposes and to increase the District's bond rating, treatment plant and clearwell improvements, fees for the bond issue, and the timeline for bond approval, it was moved by Committee Member Alvarado, seconded by Chair Henriquez, and unanimously carried by all members of the Committee present at the meeting that the Committee concurs with staff's recommendation to approve the issuance of 2018 water revenue bonds for financing the construction of the grade control structure for the Littlerock Sediment Removal Project and other capital projects and that this item be presented to the full Board for consideration at the second Regular Board Meeting in May, 2018.

Chair Henriquez then requested additional information on the bond fee structure.

General Manager LaMoreaux then stated that a Resolution to waive the District's bid policy and negotiate a contract for the construction of the grade control structure for the Littlerock Sediment Removal Project will be presented to the Board for consideration at the May 3, 2018 Special Board Meeting to accelerate the bid process for a July 2018 construction date and that staff recommends approval of this Resolution.

5) Information Items.

5.1) Status of Debt Service Coverage. (Financial Advisor Egan)

Financial Advisor Egan stated that the Debt Service Coverage for the period of April 2017 through March 2018 is 1.59 and meets the required Debt Service Coverage.

5.2) Status on OPEB Obligations. (Committee Member Alvarado)

Finance Manager Williams stated that there are no updates on this item, and staff is pursuing other financing options for the Palmdale Regional Groundwater Recharge and Recovery Project after which General Manager LaMoreaux stated that a planning meeting for this Project was held today to review the pilot project information, reducing project costs to meet the state's cost requirements, and potential financing repayment dates for the Project.

5.3) Other.

Finance Manager Williams reviewed receivables and collection activity; payment transactions by type, which indicates electronic payments continue to increase; the status on recent advertised unclaimed funds; and the cost saving measure of ACH transfers between UBS and Citizens Business Bank.

Committee Member Alvarado requested the next list of unclaimed funds be made available to the Board.

There were no further information items.

6) Board Members' Requests for Future Agenda Items.

Chair Henriquez requested "Discussion of increasing deposits to the District's Rate Stabilization Fund" be included on the agenda for the next Finance Committee meeting.

Chair Henriquez requested information be presented at the next meeting regarding owner and tenant customer deposits.

There were no further requests for future agenda items.

It was then determined that the next Finance Committee meeting will be held May 24, 2018 at 4:30 p.m.

7) Adjournment.

There being no further business to come before the Finance Committee, the meeting was adjourned at 6:00 p.m.


Chair