



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



September 19, 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
TUESDAY, SEPTEMBER 25, 2018**

**NOTE: THE REGULAR MEETING OF MONDAY, SEPTEMBER
24, 2018, IS BEING ADJOURNED TO TUESDAY, SEPTEMBER
25, 2018, DUE TO LACK OF A QUORUM
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 September 10, 2018.
 - 6.2) Payment of bills for September 25, 2018.
 - 6.3) Approve absence of Director Estes from September 10, 2018 Regular Board Meeting due to illness. (General Counsel Dunn)
 - 6.4) Approve absence of Director Henriquez from September 10, 2018 Regular Board Meeting due to a work commitment. (General Counsel Dunn)
- 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 Resolution No. 18-10 being a Resolution of the Board of Directors of the Palmdale Water District Adopting a Reserve Policy. (Finance Manager Williams/Finance Committee)
 - 7.2) Consideration and possible action on outreach activities for 2018. (Public Affairs Director Shay)
 - a) Outreach plans for remainder of 2018.
 - b) Update on PWD Water Ambassadors Academy.
 - c) Upcoming events.
 - d) Outreach recommendations from Directors.
 - 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 2018 Budget:
 - a) A.W.W.A. Annual Fall Conference to be held October 22 – 25, 2018 in Rancho Mirage.
 - 7.4) Adjourn to September 25, 2018 annual meeting of the Public Facilities Corporation.
- 8) Information Items:
 - 8.1) Reports of Directors:
 - a) Meetings/General Report.

- b) Standing Committee/Assignment Reports (Chair):
 - 1) Antelope Valley State Water Contractors Association
 - 2) Palmdale Recycled Water Authority
 - 3) Finance Committee
- 8.2) Report of General Manager.
 - a) September 2018 written report of activities through August 2018.
- 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: September 19, 2018 **September 25, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.3 – APPROVE ABSENCE OF DIRECTOR ESTES
FROM SEPTEMBER 10, 2018 REGULAR BOARD MEETING DUE TO
ILLNESS. (GENERAL COUNSEL DUNN)***

Director Estes was absent from the September 10, 2018 Regular Board Meeting. Agenda Item No. 6.3 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: September 19, 2018 **September 25, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 6.4 – APPROVE ABSENCE OF DIRECTOR HENRIQUEZ FROM SEPTEMBER 10, 2018 REGULAR BOARD MEETING DUE TO A WORK COMMITMENT. (GENERAL COUNSEL DUNN)***

Director Henriquez was absent from the September 10, 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: September 17, 2018 **September 25, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Michael Williams, Finance Manager/CFO
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.1 – CONSIDERATION AND POSSIBLE ACTION ON RESOLUTION 18-10 BEING A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE WATER DISTRICT ADOPTING A RESERVE POLICY. (FINANCE MANAGER WILLIAMS/FINANCE COMMITTEE)***

Recommendation:

Staff recommends approving Resolution 18-10 Adopting a Reserve Policy and presenting to the Board of Directors for approval.

The Finance Committee will be considering Resolution No. 18-10 at their September 20, 2018 meeting.

Alternative Options:

The alternative is to leave the current Reserve Policy from 2013 in effect.

Impact of Taking No Action:

The impact of taking no action would leave the current Reserve Policy, adopted in 2013, in effect.

Background:

The current Reserve Policy was adopted in 2013 by Resolution No. 13-13. That policy is outdated due to changes made in Capital Improvement Fees, Water Supply Connection Fees, the issuance of two water revenue bonds (2013A and 2018A), and Rate Stabilization Fund.

The new policy continues to include the dam self-insurance, operation and maintenance reserve, as well as operation and maintenance emergency reserve. Both call for three (3) months average cash operating expenses of \$5.7 million.

This updated policy has been reviewed by legal counsel for content and format.

Strategic Plan Initiative/Mission Statement:

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

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

Budget:

This item has no budget impact.

Supporting Documents:

- Resolution No. 18-10

RESOLUTION NO. 18-10

PALMDALE WATER DISTRICT'S RESERVE POLICY

WHEREAS, the Board of Directors recognizes the need to ensure that the District will have sufficient funding available to meet its operating, emergency capital, and debt service obligations.

WHEREAS, the Board of Directors recognizes the need for sound financial policies as stewards of our customers' funds.

WHEREAS, the Board of Directors recognizes the need for funds to be held in reserve for unanticipated and unforeseeable expenses.

WHEREAS, the Board of Directors recognizes the need to avoid significant water rate fluctuations.

WHEREAS, the Board of Directors recognizes a need for long term strategic financial policies.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Palmdale Water District hereby rescinds the District's existing Reserve Policy (Resolution No. 13-13) and establishes the Palmdale Water District Reserve Policy as follows:

Legally Restricted Funds:

The Capital Improvement Fees, as modified by District Resolution No. 13-12, to consist of fee components allocated for infrastructure and for water supply, and Water Supply Connection Fees are subject to the requirements of the Mitigation Fee Act (AB 1600). These funds are deposited in the Capital Improvement Fund described below. The funds may not be used to support ongoing operations of the District. The District is legally required to account for these funds separately. An annual report is required to show balance forward, fees collected, income earned, expenditures, and future commitments. All funds collected must be committed or expended within five years of being collected or they must be refunded. Other legally restricted funds, including bond proceeds funds, reserve funds or rate stabilization funds, are described below.

1. Capital Improvement Fund:

PWD will maintain a capital improvement fund with fees collected from developers to pay for the new facilities necessary to deliver water service to newly developed property and to pay for the additional water supplies necessitated to meet the demand for water created by such newly developed property. These fees are for offsite improvements, such as the development's fair share cost of wells, reservoirs, transmission mains, treatment plant capacity, and other necessary facilities, as well as to pay for water supply acquisitions and projects associated with new water supplies

necessitated by new development. The fees are collected at rates established by the Board of Directors based upon specific engineering studies. The rates charged are based on a project's equivalent capacity unit (ECU) basis. These funds are restricted to the design and construction of capital facilities for water delivery, and as otherwise provided in Resolution No. 13-12 and in Appendix H to the District's Rules and Regulations.

2. Bond Proceeds Fund(s):

Bond proceeds fund(s) are monies derived from the proceeds of a bond issue or similar indebtedness like a private placement loan, certificate of participation or other indebtedness instrument. Typically, they consist of construction fund monies and a debt service reserve fund. The use of these proceeds is restricted by conditions set forth in the respective legal bond documents. These funds are usually held by the Trustee in favor of the bond holders. These funds should be tracked and accounted for in accordance with the bond documents and to ensure, if applicable, the tax-exempt nature of the applicable bonds. These funds shall also be invested as provided in the bond documents.

3. Debt Service Reserve Funds:

This fund is governed by legal bond covenants for the District's revenue bonds. Bond covenants may require that this fund be maintained at a level sufficient to fund maximum annual debt service payments or such other requirement of the Internal Revenue Code. These funds are held by the bond trustee during the term of the bonds and are to be used in the event the District is unable to meet its required semi-annual debt service obligation. Annual interest earnings on bond reserve funds shall be applied to each year's debt service payments or as otherwise required by the bond documents.

A Reserve Fund for the Palmdale Water District Public Financing Authority Water Revenue Bonds, Series 2013A (the "2013A Bonds") and the Palmdale Water District Public Financing Authority Water Revenue Refunding Bonds (the "2018A Bonds") is established pursuant to the Indentures for each of the bonds in an amount equal to the Reserve Requirement. Assured Guaranty Municipal Corp. ("AGM") has issued a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund for the 2013A Bonds. Build America Mutual Assurance Company ("BAM") has issued a municipal bond debt service reserve insurance policy in an amount equal to the initial Reserve Requirement for deposit in the Reserve Fund for the 2018A Bonds.

4. Rate Stabilization Fund:

This fund is governed by legal bond covenants for the District's revenue bonds. The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Water Revenue Fund for application

in accordance with an Installment Purchase Agreement for each of the 2013A Bonds and the 2018A Bonds.

Board Designated Funds:

Board designated funds are set to accomplish systematic and strategic goals or provide for prudent management of operations. The Board of Directors has complete discretion in the management and designation of self-adopted funds. Such funds can be modified, transferred, or altered by Board action.

1. Dam Self Insurance:

The District shall make available \$5 million for self-insurance of the Littlerock Dam as seed money for reconstruction under the terms of the agreement between Palmdale Water District, Littlerock Creek Irrigation District and Palmdale Water District Public Facilities Corporation. The money will be used to begin the reconstruction following an event during the time applications for FEMA reimbursement are in process following an event.

2. O&M Operating Reserve:

The O&M Operating Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.7 million. This reserve is considered a working cash requirement. It bridges the gap between the time expenses are paid and the time revenues from the same service are collected from customers.

3. O&M Emergency Reserve:

The O&M Emergency Reserve will vary over time with a goal of maintaining three (3) months average cash operating expenses of \$5.7 million. This reserve is considered a working cash requirement for use in an emergency situation.

4. Unrestricted Reserves:

Unrestricted reserves represent a remainder balance of cash that is not yet designated for some use by the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Palmdale Water District as follows:

Each fiscal year budget will report on the status of the reserve over the previous year and budget for proposed sources and uses for each reserve.

PASSED AND ADOPTED by the Board of Directors of the Palmdale Water District at a regular meeting held on this ____ day of _____, 2018 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

President, Board of Directors

ATTEST:

Secretary, Board of Directors

APPROVED AS TO FORM:

Aleshire & Wynder, LLP

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: September 19, 2018 **September 25, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Ms. Judy Shay, Public Affairs Director
VIA: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 7.2 – CONSIDERATION AND POSSIBLE ACTION
ON OUTREACH ACTIVITIES FOR 2018. (PUBLIC AFFAIRS
DIRECTOR SHAY)***

A detailed report on the Outreach activities listed below will be provided at the Board meeting.

- a) Outreach plans for remainder of 2018.
- b) Update on PWD Water Ambassadors Academy.
- c) Upcoming events.
- d) Outreach recommendations from Directors.



AGENDA ITEM NO. 7.3
Hotel and Travel
Accommodations

Event Name/Date:

A.W.W.A. Annual Fall Conference/October 22 - 25, 2018

CONTACT INFORMATION

First Name

Last Name

Date

ACCOMMODATION INFORMATION

Rooms and rates are subject to availability. Complete and submit this form as soon as possible to guarantee a room at the host hotel. In the event that the host hotel is booked, every effort will be made to secure a room at the closest hotel within comparable rates to the event discounted rate.

Arrival Date

Departure Date

No. of guests

Room Type

Do you require a smoking room?

☐ Yes ☐ No

Do you need transportation from the airport to the hotel?

☐ Yes ☐ No

Flight Number

Time

ADDITIONAL INFORMATION/REQUESTS

Staff Representative

This year's AWWA Annual Fall Conference will take place October 22-25, 2018 at The Westin Mission Hills in Rancho Mirage, CA. The conference theme this year is **#SUSTAINABILITY**

The Westin Mission Hills

Address

71333 Dinah Shore Drive
Rancho Mirage, CA 92270

Phone

1.760.328.5955

At The Westin Mission Hills, wellness is a way of life - and that mantra extends to their commitment to the environment.

Accommodations

Conference attendees can make reservations to stay at The Westin Mission Hills by phone or online.

Phone

Call the group reservation department at **877.253.0041** and request the **American Water Works Association, AWWA California-Nevada AWWA Fall Conference** special group rate.

The discount room rate is **\$205 + taxes and fees** and is only valid from **Sunday, October 21 to Wednesday, October 24.**

Conserving water, energy and other resources is rewarding for you and great for the environment. **Enjoy a \$5 voucher at participating food and beverage outlets or 500 Starpoints®** awarded at check-out for each night you decline housekeeping (except day of departure).

Reservations must be cancelled 72 hours prior to arrival or guest will be subject to a one night room rate fee.

Attendee Registration Form



I am a speaker at this conference. Date _____ Time _____

Attendee Name _____

Title _____ Company _____

Address _____ City _____ State _____ Zip _____

Phone _____ Cell _____ Fax _____

Attendee Email _____ AWWA Member # _____

Type of Membership (check one) ☐ Individual ☐ Organization ☐ Operator/Admin. ☐ Utility

Complimentary Spouse/Guest (If attending) *Household members only. Does not include Water Industry Personnel _____

Member Registration	Early On or Before 8/23/18	PRE On or Before 10/04/18	Onsite After 10/04/18	Subtotals
☐ FULL REGISTRATION: Includes All Technical sessions, Keynote Lunch & Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$445	\$495	\$545	
☐ Tuesday One-Day: Includes Keynote Lunch & Exhibit Hall Entrance	\$225	\$275	\$315	\$ _____
☐ Wednesday One-Day: Includes Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$225	\$275	\$315	\$ _____
☐ EDUCATION PACKAGE Wednesday/Thursday Includes Technical Sessions & Exhibit Hall Entrance	\$225 NO MEALS	\$275 NO MEALS	\$315 NO MEALS	\$ _____
☐ Thursday One-Day Includes Technical Sessions	\$149	\$149	\$149	\$ _____
☐ STUDENT - Must be full time Student/AWWA Student Member	FREE	FREE	FREE	\$ _____
☐ RETIREE REGISTRATION - Must be: 1) Retired from all gainful employment. 2) A member of AWWA for at least 15 years. 3) At least 60 years of age.	FREE NO MEALS	FREE NO MEALS	FREE NO MEALS	\$ FREE

Non Member Registration	Early On or Before 8/23/18	PRE On or Before 10/04/18	Onsite After 10/04/18	Subtotals
☐ FULL REGISTRATION: Includes all technical sessions, Keynote Lunch & Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$495	\$545	\$595	\$ _____
☐ Tuesday One-Day: Includes Keynote Lunch & Exhibit Hall Entrance	\$275	\$325	\$375	\$ _____
☐ Wednesday One-Day: Includes Exhibitor Hosted Lunch & Exhibit Hall Entrance	\$275	\$325	\$375	\$ _____
☐ EDUCATION PACKAGE Wednesday/Thursday Includes Technical Sessions & Exhibit Hall Entrance	\$275 NO MEALS	\$325 NO MEALS	\$375 NO MEALS	\$ _____
☐ Thursday One-Day Includes Technical Sessions	\$149	\$149	\$149	\$ _____

Lunches

If not included with registration fee

☐ Keynote Lunch \$50

☐ Exhibitor Hosted Lunch \$50

Subtotal \$ _____

SPECIAL EVENTS

☐ Tues. Technical Tour \$55.00

☐ Tues. Young Professionals/Water for People \$6.01*

☐ Wed. Technical Tour \$55.00

Subtotal \$ _____

*Around the globe, girls spend 6 hours each day collecting water.

CONTACT HOURS

☐ FREE
(I am an individual, operator or administrative AWWA member)

☐ \$20.00
(My utility/organization is an AWWA member or I am not an AWWA member)

PAYMENT METHOD

Check # _____
Payable to CA-NV AWWA (U.S. funds)

PO# _____
Must be accompanied by a physical copy of the PO

Credit Card: ☐ Visa ☐ MC ☐ AMEX

Card No.: _____

Exp. Date: _____

Name on Card: _____

Authorized Signature: _____

Billing Zip Code: _____
Must be Zip Code in which your credit card statement is mailed
For copy of receipt, please write email address: _____

PAYMENT INFORMATION

Registration Total: _____ Special Events Total: _____

Meal Total: _____ Contact Hours: _____

Total Amount Due: _____

Refund requests must be submitted in writing to the Section office by October 1, 2018. A \$50 administrative fee will be deducted from all refunds. **No Refunds Granted after October 1, 2018.** By submitting this form, you are consenting to having your photo/video taken at the event which may be used for future Section promotions. To opt-out email info@ca-nv-awwa.org.

**CA-NV AWWA: 10435 Ashford Street, 2nd Floor
Rancho Cucamonga, CA 91730
Phone: (909) 481-7200
Fax: (909) 291-2107
www.ca-nv-awwa.org**

Return this completed form with your payment or purchase order to CA-NV AWWA • 10435 Ashford Street • Rancho Cucamonga, CA 91730 or submit by fax to (909) 291-2107 or by email to schickarmane@ca-nv-awwa.org

We are excited to have Eleanor Allen, CEO of Water for People and Tim Suydam, Director of Operations, West Coast for Stone Brewing as our keynote speakers for #CANVAFC2018. <http://www.ca-nv-awwa.org/afc2018>

KEYNOTE SPEAKERS

Opening Session Speaker

Tuesday, October 23

Tim Suydam, P.E.

Stone Brewing



Keynote Luncheon Speaker

Tuesday, October 23

Eleanor Allen

Water for People



October 22-25, 2018

The Westin Mission Hills | Rancho Mirage, CA

Technical tours are an additional fee that should be added at the time of Conference Registration submission.



Solar & Replenishment Tour **Tuesday, October 23 at 8 AM**

Join this tour and see Desert **sustainability** in action. The group will travel west to Desert Water Agency (DWA) and gain an understanding of how solar power is helping reduce commercial energy demand and lower power costs. From there, the tour heads to the Metropolitan Water District's Whitewater River turnout where you'll see two sustainable facilities – DWA's hydro-electric power generation station and fast-flowing water being diverted into the Whitewater River where it joins natural snow melt and flows above-ground to 19 replenishment ponds located between the windmills, covering approximately 700 acres of replenishment ponds at Windy Point. These ponds, owned and operated by CVWD, are capable of percolating approximately 1,400 acre-feet daily. See how this water can be routed to various points of entry to the replenishment ponds and how storm flows can be diverted around the ponds to prevent serious damage to equipment and the pond structures.

Mid-Valley Pipeline, Wastewater Reclamation Plant 10, Palm Desert **Replenishment & Desert Willow** **Wednesday, October 24 at 8 AM**

This tour's first stop will be Coachella Valley Water District's (CVWD) mid-valley pump station where water is pumped out of the Coachella branch of the All American Canal into a 54" pipeline that runs nearly seven miles in the Whitewater River Coachella Valley Stormwater Channel to Wastewater Reclamation Plant 10 (WRP 10) in Palm Desert where it is blended with recycled wastewater to augment demand from local golf courses for irrigation. The second stop will combine two points of interest – the wastewater treatment plant where you'll discover how wastewater is cleaned and treated to become usable for a second time by irrigating golf courses and the end of the mid-valley pipeline. Colorado River water coming into the treatment facility has a dual use in that it is also used to replenish the groundwater basin by being percolated into newly constructed ponds located between CVWD's administration building and the treatment facility. A short drive to the Desert Willow golf course demonstrates how recycled water can be as effective as domestic water for maintaining a beautiful and lush course.

[Sign In](#) [Create /](#)[ABOUT THE SECTION](#) [EVENTS & CLASSES](#) [MEMBERSHIP](#) [CERTIFICATIO](#)

SCHEDULE

Sunday, October 21

12:00 pm - 4:30 pm	Governing Board Meeting
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Monday, October 22

7:00 am - 4:00 pm	Registration
8:00 am - 9:45 am	Section Leaders Meeting
10:00 am - 5:00 pm	Committee Meetings
5:30 pm - 7:00 pm	Membership Welcome Reception

Tuesday, October 23

7:00 am - 4:00 pm	Registration
7:30 am - 8:30 am	1st Time Attendee Orientation
8:00 am	Solar & Replenishment Tour
8:30 am - 11:15 am	Opening Session & Awards Ceremony

10:00 am - 11:00 am	Manufacturers & Associates Council Committee Meeting
11:15 am - 11:30 am	Break
11:30 am - 1:30 pm	Keynote Luncheon
1:30 pm - 3:00 pm	Technical Sessions
3:00 pm - 4:00 pm	Break
3:00 pm - 4:00 pm	Exhibit Hall Grand Opening
3:00 pm - 7:00 pm	Exhibit Hall Hours
4:00 pm - 5:30 pm	Technical Sessions
5:30 pm - 7:00 pm	M.E. Simpson, Co., Inc. Meet & Greet Reception
7:00 pm - 11:00 pm	Water for People & Young Professionals Committee: 80's Dance Party

Wednesday, October 24

7:00 am - 4:00 pm	Registration
7:30 am - 8:30 am	Technical Sessions
8:00 am	Mid-Valley Pipeline, Wastewater Reclamation Plant 10, Palm Desert Replini Willow Tour
8:30 am - 10:00 am	Break

8:30 am - 10:00 am	Exhibit Hall Breakfast
8:30 am - 4:00 pm	Exhibit Hall Hours
10:00 am - 12:00 pm	Technical Sessions
12:00 pm - 1:30 pm	Exhibitor Hosted Lunch in Exhibit Hall
1:30 pm - 3:00 pm	Technical Sessions
3:00 pm - 4:00 pm	Break & Prize Drawing in Exhibit Hall
4:00 pm	Exhibit Hall Concludes
4:00 pm - 5:00 pm	Technical Sessions

Thursday, October 25

7:00 am - 12:00 pm	Registration
8:00 am - 9:30 am	Technical Sessions
9:30 am- 10:00 am	Break
10:00 am - 12:00 pm	Technical Sessions
12:00 pm	Technical Sessions conclude

Join us for an **80's** dance party!

Water for People and the **CA-NV Section** invite you to attend the **80's** dance party being co-hosted by the **Young Professionals Committee**. Join us for a night of networking, contests and dancing! Attendees are encouraged to dress up for the dance party, but not required.

Tuesday, October 23, 2018

Oasis Den | 7:00 pm - 11 pm

Price: ONLY **\$6.01**

Sign up with your Annual Fall Conference (AFC) registration form or online. Full dinner included.

www.ca-nv-awwa.org/afc2018



EVERYONE FOREVER

Networking

Shazam! Contest

Silent Auction

Dancing

Rubix Cube Contest

Best 80's costume



MINUTES OF REGULAR MEETING OF THE COMMISSIONERS OF THE ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION, AUGUST 9, 2018.

A regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was held Thursday, August 9, 2018, at the Palmdale Water District at 2029 East Avenue Q, Palmdale. Chair Parris called the meeting to order at 6:03 p.m.

1) Pledge of Allegiance.

Chair Parris led the pledge of allegiance.

2) Roll Call.

Attendance:

Robert Parris, Chair
Barbara Hogan, Vice Chair
Leo Thibault, Treasurer-Auditor
Kathy Mac Laren, Secretary
Keith Dyas, Commissioner
Marco Henriquez, Commissioner

Others Present:

Matt Knudson, General Manager
Peter Thompson II, Asst. General Manager
Dennis Hoffmeyer, Controller
James Chaisson, LCID General Manager
Vincent Dino, PWD Director (Alt. Cmsnr.)
Danielle Henry, Administrative Assistant
5 members of the public

3) Adoption of Agenda.

It was moved by Commissioner Henriquez, seconded by Commissioner Mac Laren, 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 July 19, 2018.

It was moved by Commissioner Dyas, seconded by Commissioner Mac Laren, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the minutes of the regular meeting held July 19, 2018, as written.

6) Payment of Bills.

Commissioner Thibault reviewed the bills received for payment and then moved to pay the bills received from PWD in the amount of \$674.30 for staff services, from AVEK in the amount of \$471.70 for staff services, and from AV Web Designs in the amount of \$199.95 for the recurring monthly AVSavesWater.com website charge for August, 2018. The motion was seconded by Commissioner Henriquez and unanimously carried by all members of the Board of Commissioners present at the meeting.

Commissioner Thibault then reviewed and moved to pay the bill received for payment from the United States Geological Survey (U.S.G.S.) in the amount of \$15,900.00 for the quarterly billing for cooperative water resources investigations per the Joint Funding Agreement between the Association and U.S.G.S. for the period of May 1, 2018 through July 31, 2018. The motion was seconded by Commissioner Mac Laren, and after a brief discussion of the Agreement cost sharing with the Antelope Valley Watermaster and the Integrated Regional Water Management Plan Stakeholders Group, the motion was unanimously carried by all members of the Board of Commissioners present at the meeting.

7) Presentation on the Association's Participation in the 2018 Home Show and SMART Water Expo. (Resources Manager Barnes)

Assistant General Manager Thompson II provided an overview of the Association's Smart Water Expo held with the 2018 Home Show & Craft Fair, including the event partners, the marketing promotions, the vendors, the attendance, the presenters, and the cost breakdown, and after a brief discussion of the reasonable cost of participating in conjunction with the Home Show & Craft Fair, it was determined to add an item to the next meeting agenda to discuss participation of the Smart Water Expo with the 2019 Home Show & Craft Fair rather than as a separate event.

8) Consideration and Possible Action on Sponsorship of Conservation Garden with the Antelope Valley Fair Association. (Chair Parris/Commissioner Mac Laren)

General Manager Knudson reviewed the proposed contract agreement with the Antelope Valley Fair Association (AVFA) for the sponsorship of the design, construction and maintenance of a conservation garden at the Antelope Valley Fairgrounds, and after a brief discussion of revising the contract term to the five year

period of 2018-2023 and the Association's first right to renew the Contract prior to expiration, it was moved by Commissioner Mac Laren, seconded by Commissioner Henriquez, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve the Agreement Contract with the AVFA for the sponsorship of a conservation garden with the Contract revised to reflect the five year term of 2018-2023 and an added renewal provision of an additional five years at \$5,000.00/year with the annual sponsorship costs divided among the Association's member agencies according to State Water Project Table A allocations.

9) Consideration and Possible Action on Sponsorship of AB 1234 Ethics Training Required for Board of Directors and Executive Management. (General Manager Knudson/Assistant General Manager Thompson II)

General Manager Knudson stated that the Association has previously sponsored AB 1234 Ethics Training for the Commissioners and other area agency Boards and staff members after which it was moved by Commissioner Thibault, seconded by Commissioner Hogan, and unanimously carried by all members of the Board of Commissioners present at the meeting to approve sponsorship of AB 1234 Ethics Training required for Board of Directors and Executive Management.

10) Status Update on the Big Rock Creek Groundwater Recharge Project. (General Manager Knudson/Assistant General Manager Thompson II)

General Manager Knudson stated that the Professional Services Agreement with Kennedy/Jenks Consultants for the Big Rock Creek Groundwater Recharge Project has been executed and reviewed by legal counsel and that the Project kick-off meeting is scheduled for August 20, 2018 with the Consultant and the General Managers of each member agency.

11) Status Update on the Financial Analysis Associated with the Cost of Providing Replacement Water to the Antelope Valley. (General Manager Knudson/Assistant General Manager Thompson II)

General Manager Knudson stated that the Professional Services Agreement with Raftelis Financial Consultants for the 2018 Financial Analysis Study for Replacement Water Assessment has been executed and that the Project kick-off meeting will be scheduled soon.

12) Discussion on Concepts of Maximizing the Use of Available Recycled Water in the Antelope Valley. (Chair Parris/General Manager Knudson)

Chair Parris provided a brief overview of the groundwater issues affecting agricultural land on the east side of the Antelope Valley and the potential solution of bringing recycled water to the affected vicinities after which it was determined to discuss this item in detail at the AVSWCA Strategic Water Plan Ad Hoc Committee on August 22, 2018 immediately following the Watermaster meeting.

13) Report of General Manager.

a) Update on Antelope Valley Watermaster Meetings.

General Manager Knudson stated that the next Watermaster meeting will be held on August 22, 2018 at 10 a.m. at AVEK; that the 2017 annual report was approved at the last Watermaster meeting; and that the Adjudication Judge approved the storage agreement section of the Watermaster Rules and Regulations.

b) Update on Antelope Valley IRWMP Stakeholder Meetings.

General Manager Knudson stated that IRWMP Memorandum of Understanding (MOU) has been circulated for review and approval by the Stakeholders and that the IRWMP funding will be discussed upon approval of the MOU.

c) Update on Fremont Basin IRWMP Stakeholder Meetings.

General Manager Knudson stated that the next Fremont Basin IRWMP Stakeholders meeting will be held on August 23, 2018 at 9 a.m. in California City and that discussions will include the IRWMP draft report.

14) Report of Resources Manager.

a) Update on AVSavesWater.com and AVSWCA.org website merge.

Due to the absence of Resources Manager Barnes, it was determined to table this item to the next regular meeting.

15) Report of Controller.

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

Controller Hoffmeyer provided a brief update of the Association's revenue, expenses, and change in net position for year ending July 31, 2018 and stated that the member agencies have been invoiced for the Association's approved General Program and Restricted Funds.

16) Reports of Commissioners.

a) Status Update on AVSWCA Strategic Water Plan Ad Hoc Committee Meetings.

Chair Parris stated that the next Ad Hoc Committee meeting will be held on August 22, 2018 immediately following the Watermaster meeting followed by a brief discussion of the 2018 ACWA Fall Conference.

There were no further reports.

17) Report of Attorney.

There was no report.

18) Commission Members' Requests for Future Agenda Items.

It was determined that "Status Update on the Big Rock Creek Joint Groundwater Recharge Project," "Status Update on the Financial Analysis Study for the Cost of Providing Replacement Water to the Antelope Valley," "Status Update on Concepts of Maximizing the Use of Available Recycled Water in the Antelope Valley," and "Status Update on the AVSavesWater.com and AVSWCA.org website merge" will remain on the next meeting agenda and that "Consideration and Possible Action on the Development of a Mutual Aide Agreement" and "Consideration and Possible Action on Participation of Smart Water Expo with the 2019 Home Show & Craft Fair" will be added to the next meeting agenda.

There were no further requests for future agenda items.

ANTELOPE VALLEY STATE WATER CONTRACTORS ASSOCIATION
AUGUST 9, 2018
REGULAR MEETING

19) Consideration and Possible Action on Scheduling the Next Association Meeting September 13 2018.

It was determined that the next regular meeting of the Association will be held on September 13, 2018 at 6:00 p.m. at Palmdale Water District.

20) Adjournment.

There being no further business to come before the Commissioners, the regular meeting of the Commissioners of the Antelope Valley State Water Contractors Association was adjourned at 7:00 p.m.


Secretary

PALMDALE RECYCLED WATER AUTHORITY (PRWA)

**MINUTES OF AUGUST 20, 2018
REGULAR MEETING AGENDA NO. 42
PALMDALE RECYCLED WATER AUTHORITY (PRWA)
HELD AT CITY OF PALMDALE
CITY HALL ADMINISTRATION TRAINING ROOM
38300 SIERRA HIGHWAY, SUITE A
PALMDALE, CALIFORNIA
www.cityofpalmdale.org
www.palmdalewater.org**

1. CALL TO ORDER.

Chair Bishop called the meeting to order at 7:07 p.m.

2. PLEDGE OF ALLEGIANCE.

**3. ROLL CALL: CHAIR AUSTIN BISHOP AND DIRECTORS KATHY MAC
LAREN, VINCENT DINO, JUAN CARRILLO, AND HELEN
VELADOR**

Director Estes served as alternate in place of Director Dino who was not present.

PRESENT: Directors Bishop, Mac Laren, Estes, Carrillo, and Velador.

4. CONSENT CALENDAR – PUBLIC COMMENTS ONLY:

Public Comments: None.

5. CONSENT CALENDAR:

Director Carrillo stated he would abstain from voting on Item 5.1 as he was not present at that meeting.

- 5.1 Approve the Minutes from the previous meeting held on July 16, 2018 (7pm). (Staff Reference: Authority Secretary Smith)
- 5.2 Approve receipt and filing of the Treasurer's Report for the six months ending June 30, 2018. (Staff Reference: Treasurer-Auditor Williams)
- 5.3 Approve receipt and filing of the annual basic financial statements with independent auditors' report for year ended December 31, 2017. (Staff Reference: Treasurer-Auditor Williams)

Motion: Move to approve all items by one vote with Director Carrillo abstaining from Item 5.1 only as he was not present at the meeting.

Moved by Chair Bishop, seconded by Director Velador

Vote: Motion Carried (5-0) for Items 5.2 & 5.3
Yes: Chair Bishop, Directors Mac Laren, Estes, Carrillo and Velador
Vote: Motion Carried (4-0) for Item 5.1
Yes: Chair Bishop, Directors Mac Laren, Estes, and Velador
Abstain: Director Carrillo

6. ACTION ITEM:

- 6.1 RESOLUTION NO. PRWA 2018-004, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PALMDALE RECYCLED WATER AUTHORITY IN SUPPORT OF PROPOSITION 3 – THE WATER SUPPLY AND WATER QUALITY ACT OF 2018. (Staff Reference: Executive Director LaMoreaux)

Additional Information:

Attachment 1	Benefits for Southern California from Water Bond Initiative
Attachment 2	Potential Major Benefits of the Water Supply and Water Quality Bond Act Initiative for State Water Contractors
Attachment 3	Official Endorsement List for the Water Supply and Water Quality Act of 2018

Executive Director LaMoreaux presented Resolution No. PRWA 2018-004 and the additional information regarding the Water Supply and Water Quality Act of 2018.

Public Comments: None.

Motion: Move to adopt Resolution No. PRWA 2018-004.

Moved by Director Mac Laren, seconded by Director Carrillo

Vote: Motion Carried (5-0)

Yes: Chair Bishop, Directors Mac Laren, Estes, Carrillo and Velador

7. SPECIAL REPORT:

7.1 Review of the Palmdale Recycled Water Authority Master Plan. (Staff Reference: Palmdale Water District Engineering/Grant Manager Riley)

There was no staff report for this item.

Executive Director LaMoreaux presented the Board with a copy of the PowerPoint presentation and spoke regarding this item.

Palmdale Water District Engineering/Grant Manager Riley presented the PowerPoint presentation of the Recycled Water Master Plan.

The Board asked questions of staff regarding developer fees. Executive Director LaMoreaux responded by referring the Board to the Joint Powers Agreement Section 6.4 which factors impact fees for future developments.

Director Carrillo spoke about recycled water fill stations and stated that we still need to find a location. He stated that it cannot be done at Yellen Park due to conditions of usage for the donated land. The Board discussed the land available across from McAdam Park being used as a possible recycled water fill station.

Assistant Executive Director Heffernan stated that we still need plans for a pump station from Los Angeles County Sanitation District. He spoke about various agreements with other agencies regarding providing water to various parts of the city. Assistant Executive Director Heffernan spoke regarding a draft agreement with Los Angeles County Waterworks, Los Angeles County Sanitation, City of Palmdale and City of Lancaster regarding reallocation of water to these agencies and stated the agreement is still pending. There was additional Board discussion regarding this item and direction was given to staff to get details on the

agreement and set up a meeting with Los Angeles County Supervisor Barger.

Motion: Move to obtain and review details of the agreement and set up a meeting with Los Angeles County Supervisor Barger.

Moved by Chair Bishop, seconded by Director Mac Laren

Vote: Motion Carried (5-0)

Yes: Chair Bishop, Directors Mac Laren, Estes, Carrillo and Velador

8. NON-AGENDA ITEMS - PUBLIC COMMENTS:

Public Comments: None.

9. REQUESTS FOR NEW AGENDA ITEMS:

Director Carrillo spoke regarding the direction to staff which was for staff to get expiration information on the joint agreement with Los Angeles County Waterworks, City of Palmdale and City of Lancaster; set up a meeting with Los Angeles County Supervisor Barger's office to move forward with agreement; and set up a meeting with Adam (no last name given) at Los Angeles County Sanitation District.

Executive Director LaMoreaux spoke regarding audit problems with the transfer of ownership of the temporary booster station and pipeline transporting recycled water from Palmdale Reclamation to McAdam Park from the City of Palmdale to the Palmdale Recycled Water Authority which had not been done as required by the Joint Powers Agreement and includes annual review of the Joint Powers Agreement to make sure there is follow-up on required actions. The Board concurred.

10. INFORMATIONAL REPORT OF THE BOARD OF DIRECTORS, EXECUTIVE DIRECTOR, AND ASSISTANT EXECUTIVE DIRECTOR.

None.

11. ADJOURNMENT.

Chair Bishop adjourned the meeting at 8:15 p.m. to September 17, 2018 at 7:00 p.m. in the City of Palmdale Administration Training Room located at 38300 Sierra Highway, Suite A, Palmdale, California.

PASSED, APPROVED, and ADOPTED this 17th day of September 2018.

Austin Bishop
Chair

ATTEST:

Rebecca J. Smith,
Secretary

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: September 19, 2018 **September 25, 2018**
TO: BOARD OF DIRECTORS **Board Meeting**
FROM: Mr. Dennis D. LaMoreaux, General Manager
RE: ***AGENDA ITEM NO. 8.2.a – SEPTEMBER 2018 GENERAL MANAGER REPORT***

The following is the September report to the Board of activities through August 2018. It is organized to follow the District's six strategic initiatives adopted in January 2018 and is intended to provide a general update on the month's activities. A summary of the initiatives is as follows:



Water Resource Reliability

Complete the 2018 phase of the Upper Armagosa Creek Recharge Project
Ensure Palmdale Recycled Water Authority (PRWA) to be fully operational by year 2020
Adopt new state-of-the-art water treatment technologies
Implement the Antelope Valley Groundwater Adjudication agreement
Complete the grade-control structure for the Littlerock Reservoir Sediment Removal Project
Continue the next phase towards the completion of Palmdale Regional Groundwater Recharge and Recovery Project
Identify and pursue opportunities to increase the reliability of water supply



Organizational Excellence

Offer competitive compensation and benefits package to promote employee retention
Focus Succession Planning Program on ensuring an overlap of training for key positions
Continue providing transparency to our ratepayers
Promote and support leadership training and professional development programs to enhance the District's customers' experience



Systems Efficiency

Implement 2016 Water System Master Plan
Develop a five-year Infrastructure Revitalization Plan to continue the reinvestment and preventative maintenance for aging infrastructure
Explore energy independence
Continue being the industry's leader on the use of Granular Activated Carbon (GAC)
Research and test new technologies to increase efficiencies
Improve safety and training for Directors, employees and customers
Develop a crisis communications plan



Financial Health and Stability

Pursue additional grant funding for all District projects
Adopt a sustainable and balanced rate structure to meet short and long-term needs
Create a five-year financial plan in conjunction with the 2019 Water Rate Plan
Maintain adequate reserve levels, high-level bond rating, and financial stability



Regional Leadership

Enhance relationships with Antelope Valley partnerships, including local water agencies, Antelope Valley State Water Contractors Association and the Palmdale Recycled Water Authority
Expand school water education programs
Engage elected officials in water-related issues
Continue offering career opportunities through the Internship Program
Provide opportunities for local businesses to contract with the District



Customer Care, Advocacy and Outreach

Increase Customer Care accessibility through communication and feedback to enhance customers' experience
Evaluate, develop, and market additional payment options
Be point of communication for customers' water-related public health concerns
Develop the District's Public Outreach Plan
Increase public awareness of the District's history and promote centennial anniversary

This report also includes charts that show the effects of the District's efforts in several areas. They are organized within each strategic initiative and include status of the State Water Resources Control Board's (SWRCB) long-term conservation orders, 20 x 2020 status, the District's total per capita water use trends, 2018 water production and customer use graph, mainline leaks, and the water loss trends for both 12 and 24 month running averages.



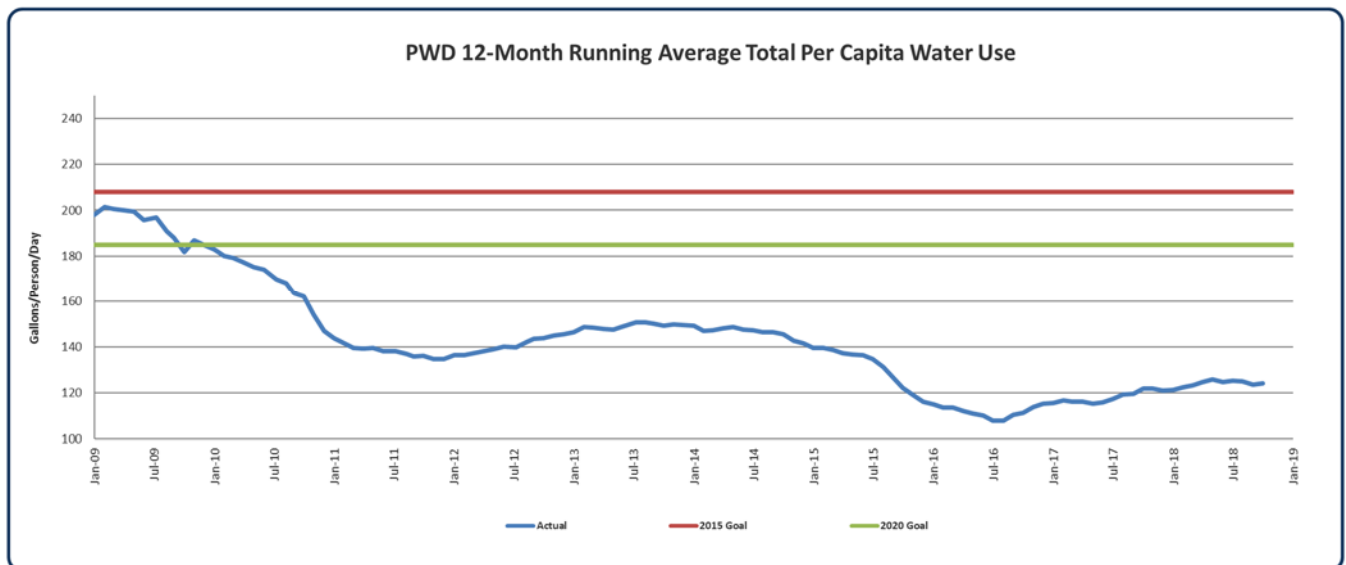
Water Resource Reliability

This initiative includes conservation efforts, water supply projects, and water planning. Recent highlights are as follows:

State Water Resources Control Board (SWRCB) Activities

- The 20 x 2020 per capita reduction goals passed by the legislature in 2009 with new long-term water budgeting requirements have now been replaced with new requirements and water agency water budgets. These follow through on the “Making Water Conservation a California Way of Life” plan. The District expects to easily comply with the new requirements as they are based on the same philosophy as the District water budget rate structure.

The District’s compliance with the 20 x 2020 law is evident from the chart titled “PWD 12-Month Running Average Total Per Capita Water Use.”:

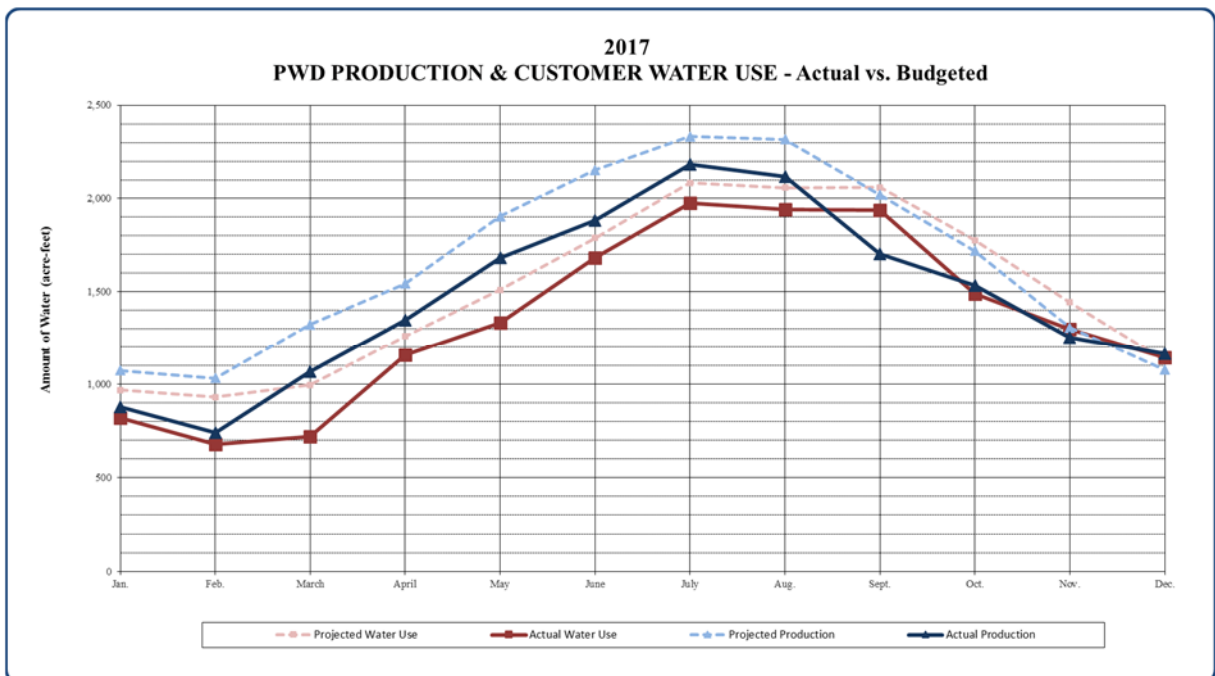
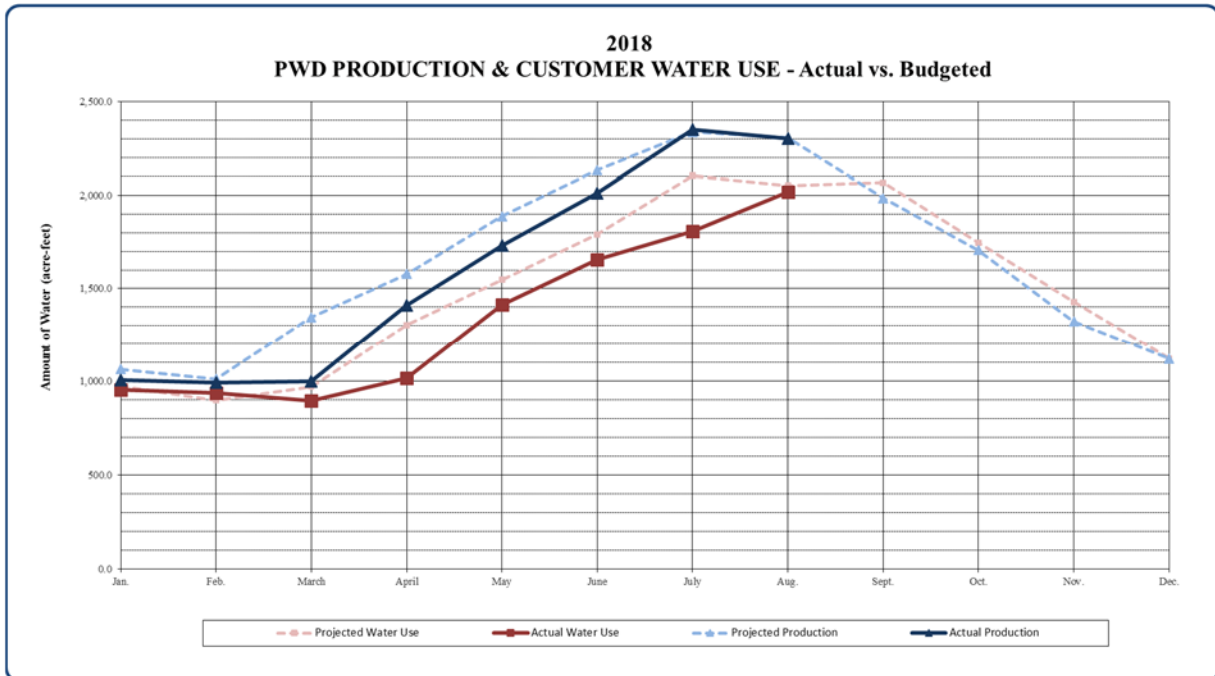


The District’s customers have cut their water use by **46.3%** from the baseline number of 231 and met the 2020 Goal in early 2010. The current Total-GPCD is 124.

Water Supply Information

- The staff plan for water resources in 2017 was based on the allocation of 85%. The 2018 State Water Project allocation is 35%. The AV Adjudication is now in its third year and the rampdown to the native safe yield has begun. The District’s native groundwater rights rampdown is now 2,769.63 AF. Other groundwater rights for 2018 are 1,452.27 AF of unused Federal Reserve Rights, 3,828.41 AF of Return Flow Rights, and 3,911.94 AF of Carryover Rights. These groundwater rights total 11,962.55 AF. However, the District only plans to use approximately 8,000 AF and will carryover the remaining rights.

- Water and Energy Resources staff has planned for 2018. The plan incorporates available water with the anticipated water usage. The following graph shows actual amounts through August and monthly projections for both production and consumption, based on the prior five years of actual monthly information, for the entire year. It is anticipated that this year's consumption and production pattern will be similar to 2017. The production numbers are 7.6% and consumption numbers 3.8% higher this year than in 2017. The 2017 chart is added in this report for comparison.



Other Items

- The Littlerock Reservoir Sediment Removal Project Environmental Impact Report/Environmental Impact Statement (EIR/EIS) was fully approved in 2017. All required permits have now been obtained. It is expected within the next few weeks. The Grade Control Structure design and contract documents were completed in May.

The District awarded the construction contract to ASI Construction, LLC of Colorado Springs on July 18, 2018. They are preparing the initial submittals and plans. A preconstruction meeting is anticipated soon. Staff is working with ASI to assess the effect of starting the Project later in the year than anticipated.

A citizen's committee, Friends of Littlerock Dam (FOLD), was formed in the Littlerock, Pearblossom, and Juniper Hills area to find a way to reopen the Littlerock Reservoir Recreation area. They worked with the District and the USFS on this issue. The result was having the area open to the public June 9, 10, 16, and 17. Attendance for these days was preliminarily reported as approximately 4,000 visitors. This is viewed as a success by FOLD and has provided good information for the Forest Service. They will issue a request for proposals for a recreational operator. This process is expected to take 9 to 12-months.

- The public review of the Draft California Environmental Quality Act (CEQA) EIR for the Palmdale Regional Groundwater Recharge and Recovery Project is complete. The Final EIR was certified by the Board on July 13, 2016, and the Notice of Determination was filed on July 14, 2016. The comments from the SWRCB Recycled Water Division on the Title 22 Engineering Report were addressed and returned for further review. Another set of comments was recently received and are being reviewed.

Construction of monitoring wells is complete, and the initial water quality sampling has been done. The pilot spreading basin was constructed, the 28-day recharge test, and dry/wet cycling is complete. The soil column tests are ongoing. The information from this project is now being assessed by Kennedy/Jenks and staff.

- California Water Fix: There have been recent regulatory approvals moving this project forward. The State Water Contractors and the Department of Water Resources are continuing discussions about the Project's financing and operations. These discussions will result in a clearer picture of the effect on individual contractors. Staff is directly involved in these discussions and will be able to update the Board in the future.



Organizational Excellence

This initiative includes efforts to restructure staff duties and activities to more efficiently provide service to our customers. Recent highlights are as follows:

- The electronic time keeping software was used by staff during most of 2017 and is now our standard practice.
- The 2018 Strategic Plan Update is now published in brochures and on the District's website. The board room posters have been redesigned, printed, and mounted in the board room. A Spanish translation has been printed and is also posted in the Board room.
- The District is working with other members of the Public Water Agencies Group (PWAG) to hire and share the services of an Emergency Preparedness Coordinator. The MOU was approved by the Board, the action of other agencies is complete, a person has been hired, and the initial meeting has been held.
- A new logo for the District as part of the 100-year anniversary was approved by the Board at the October 11, 2017 Board meeting. The transition to the new logo is now complete.



PALMDALE WATER DISTRICT
A CENTURY OF SERVICE

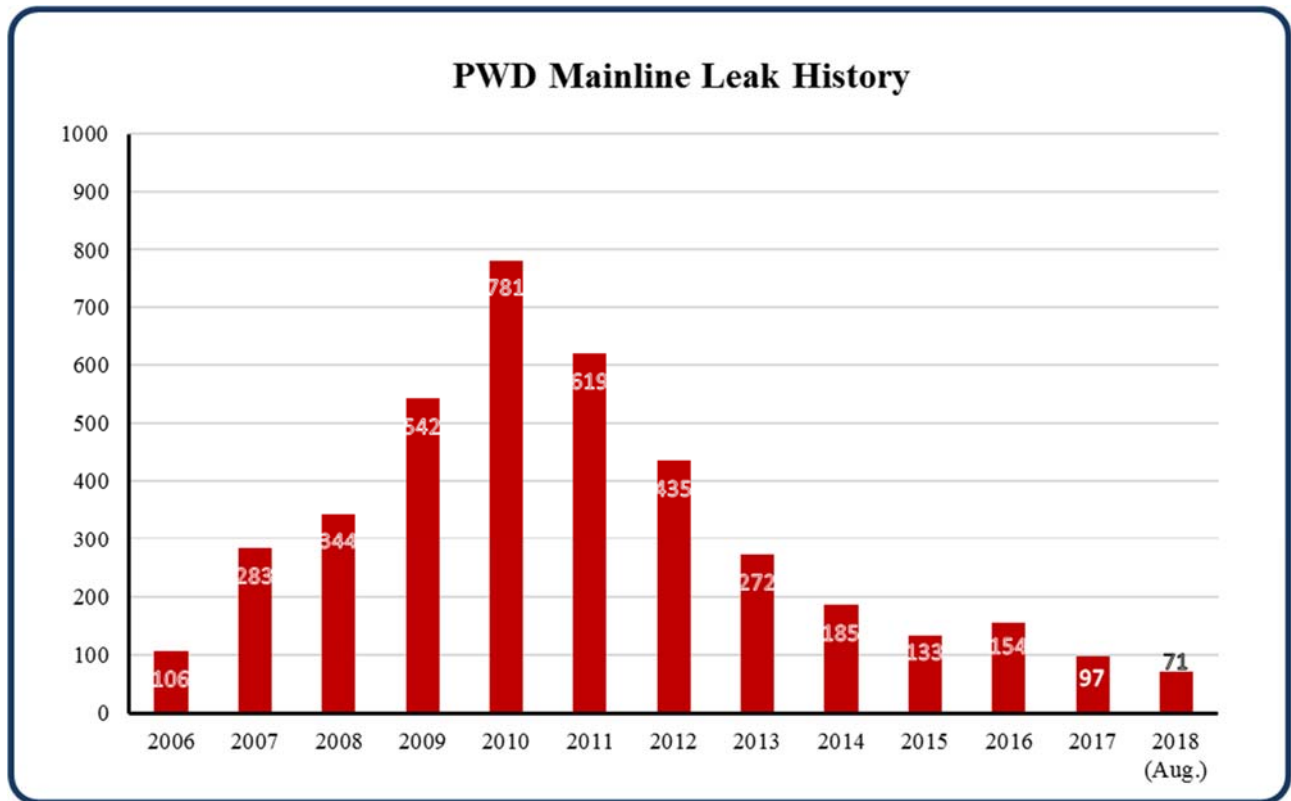


Systems Efficiency

This initiative largely focuses on the state of the District's infrastructure. Recent highlights are as follows:

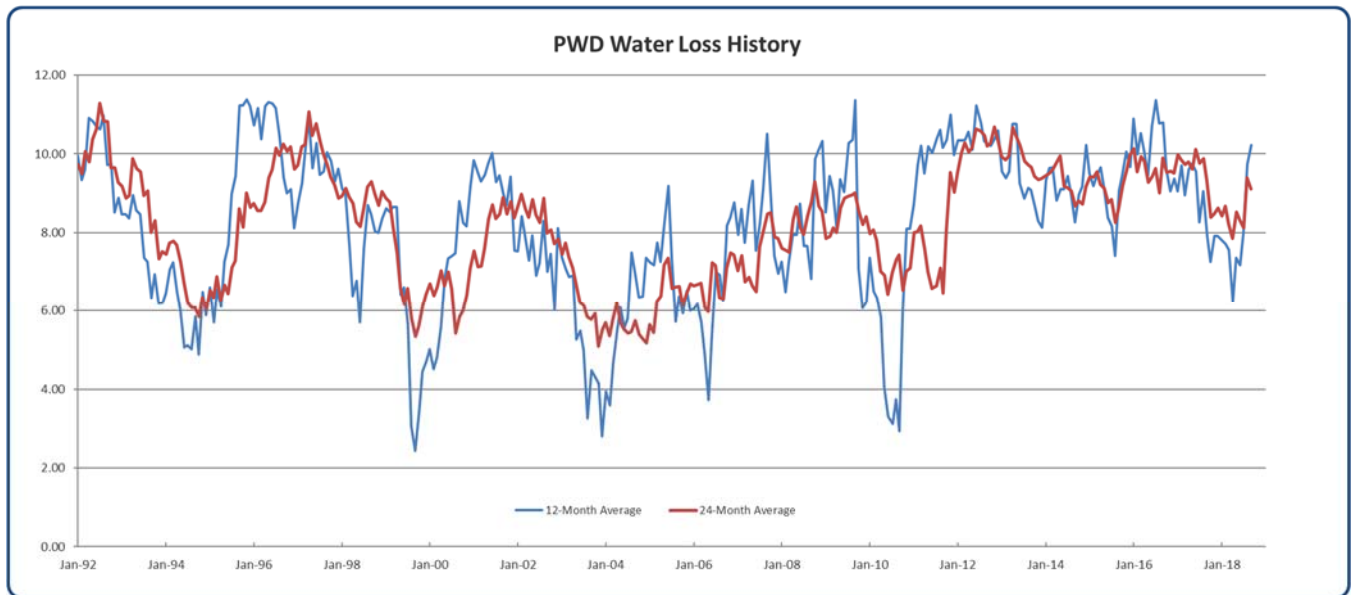
- Installation of security upgrades for the Leslie O. Carter Water Treatment Plant is operational and complete. Additional cameras are being planned for the two access gates.
- The effects of the District's past efforts in replacing failing water mains and meters can be seen in the reduced number of mainline leaks. This is illustrated in the chart titled "Mainline Leak History." The mainline leaks through August 2018 are 71, and there were

65 service line leaks. The 2017 mainline leak total was 97. This was the first time they were under 100 in over ten years.



- The budgeted meter replacement project of approximately 3,300 meters is being planned for 2018. Staff is now treating meter replacements similar to how the District contracts for pavement patching with annual bids to perform the work. This work started the week of September 17, 2018.
- Facilities staff is focusing on maintenance activities to incorporate pressure reducing valves and other facilities as their efforts can continue to be more preventative due to a lower number of emergency repairs. A detailed presentation was given to the Board on September 13, 2017 explaining the importance of these activities. The 2018 Budget approved by the Board supports these activities.
- District staff completed the water main replacement on Avenue S-14 in the Ana Verde Hills area. The replacement main in 13th Street East north of Avenue R is currently under construction. Future work includes Camares Drive south of Barrel Springs Road and Avenue V-5 west of 47th Street East.

- The positive effect of both water main and water meter replacement programs is shown on the chart titled “PWD Water Loss History.” Water losses are now near 9%.



Financial Health and Stability

- Engineering staff has successfully applied for planning grant funding for the Palmdale Regional Groundwater Recharge and Recovery Project and for the Phase II pipeline for the Palmdale Recycled Water Authority. Application packages for further funding have been determined to be complete by the State. A comment letter was also submitted to raise the priority of both projects in the State’s funding plan for 2017/2018.

The State is satisfied with resolutions from the City and the District related to the PRWA Phase II funding application for compliance with their repayment requirements. An amendment to the JPA will also be completed to tie these into PRWA. The only outstanding issue is the State’s approach to determining the District’s Debt Coverage Ratio. They continue to include non-operating expenses into the calculation. Staff and our financial advisor are still working on this issue.

- Water rate changes of 4.25% for 2017, 2018, and 2019 were approved at a Board meeting held November 9, 2016. The resolution is also unique in that it included criteria that, if met, would allow for lesser changes.

- Engineering/Grant Manager Riley has worked with the Bureau of Reclamation for the acceptance of a Feasibility Report for the Palmdale Regional Groundwater Recharge and Recovery Project and having it eligible for funding. Mr. Riley and I visited the Bureau in Denver to discuss future funding opportunities. The Bureau staff was very receptive to the project. Our project is one of 30 from across the country that is eligible to compete for a portion of \$10M in this year's Federal budget due to the approved Feasibility Report. The 2017 competition effort did not result in an award of funds from the Bureau. However, lessons from this submittal will be used in future funding competitions.
- The 2018 Budget was approved by the Board in November 2017. The 2018 Budget was published in January 2018. The initial draft 2019 Budget will be presented to the Finance Committee in September.
- Water-Wise Landscape Conversion Program (Cash-for-Grass Program): The District received a \$75,000 Grant from the Bureau of Reclamation in 2017 to assist in funding the Program. The Board approved changes to the program at the October 25, 2017 meeting that are now in effect.
- The 2018A Series Revenue Bonds closed as expected. This issue includes funds for the Littlerock Reservoir Sediment Removal Project – Grade Control Structure construction, work on the 6 MG Clearwell, and work on the sediment basin at the Leslie O. Carter Water Treatment Plant.



Regional Leadership

This initiative includes efforts to involve the community, be involved in regional activities, and be a resource for other agencies in the area. Recent highlights are as follows:

- Activities of the Palmdale Recycled Water Authority (PRWA) and Antelope Valley State Water Contractors Association have continued.
- The District staff continues to be active in the Antelope Valley Watermaster Board (AVWB) and related meetings.
- District staff is active in the local chambers and is on the board of the Palmdale Chamber and GAVEA.
- The District developed a plan and budget for a year-long celebration of the District's 100th Anniversary on July 22, 2018. These included an Open House on August 5, 2017, the

2017 AV Fair parade, monthly public tours of Littlerock Dam and the Leslie O. Carter Water Treatment Plant, and a book documenting our first 100 years. The time capsule will be finalized and closed in early October.

- Staff has worked with the Ad-Hoc Committee on a method to better communicate with and involve our customers in the District's activities. A proposal to create a "PWD Water Ambassador Academy" was approved by the Committee and is scheduled for September 19 and 26, October 3 and a tour/graduation on October 6th.
- The District has expressed its concerns with the proposed Statewide water tax under SB 623 (now SB 845) and SB 998 which would affect how delinquent accounts are handled. SB 998 has been signed into law by the Governor. SB 845 did not pass the legislature and will continue to be discussed next year.
- There are two bond measures with water-related funds this year. Proposition 68 was on the June 2018 ballot and passed. The "Water Supply and Water Quality Act of 2018" will be Proposition 3 on the November 2018 ballot. It totals \$8.9 B and is much more focused on water.



Customer Care and Advocacy

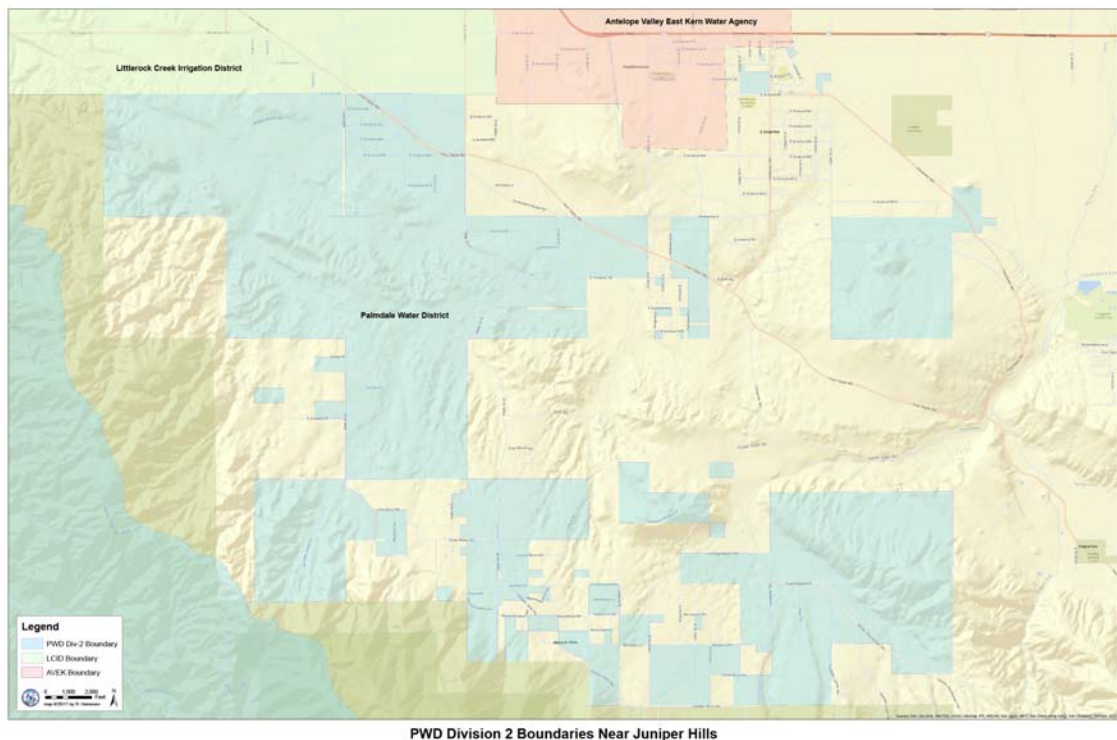
This initiative includes efforts to better serve our customers. Recent highlights are as follows:

- The ability to make payments at 7-Eleven and Family Dollar Store is also continuing to grow.
- A plan to update and improve the front entrance and lobby was approved by the Facilities Committee in March, and work is complete. The kiosk is now installed and functioning in the lobby. It hosts service ticketing for customers, a directory of the office, and displays associated with the 100th Year celebration.
- Customer Care and Finance staff are now exclusively using TruePoint software. TruePoint has continued to provide solid support and programming changes for any needed adjustments. Staff is continuing to recognize and correct transition issues that arise to minimize any effect on customers and other District departments.

- Many residents in the Juniper Hills area rely on water hauling companies for their water. A major local source for these companies is no longer available and more distant water sources increase water costs for the residents.

Numerous properties in the Juniper Hills area annexed to PWD in the early 1960's for access to the State Water Project (SWP) and pay the annual assessment for SWP fixed costs. To date, there has not been a way to use the SWP water due to the lack of a water system. However, this allows PWD to act as a water source for water hauling companies for properties within PWD's boundaries in the Juniper Hills area.

The following map was provided for water hauling companies and residents to help them understand who PWD can help serve.



The District is requiring submittals documenting a water hauling company's status as part of setting a water meter for their use. We are also using copies of property tax bills to verify the water hauling customers are within PWD's boundaries. Staff reviews the tax bill copies for that verification. Aleshire & Wynder also drafted an agreement for water hauling companies that is intended to protect the District and the water hauling customers. There are currently seven (7) residents verified for water deliveries.

Staff attended the Juniper Hills Town Council meeting on November 1, 2017 to explain this approach and answer other questions from the residents. This is an unusual situation and shows the District's commitment to serve all customers within its boundaries, even in the absence of a water distribution system.

Staff is also now working with Littlerock Creek Irrigation District (LCID) as an alternate provider of the District's water to these residents. LCID facilities are closer and may be easier for potential water haulers to use.